

**FBIS**

# DAILY REPORT

## CONTENTS

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## JAPAN

Embassy To Reopen in Lebanon 'Shortly'	C 1
Banks Raise Large Loan for South Korean Bank	C 1
Firm To Aid PRC Machine Tool Manufacturer	C 1
Crude Oil Imports Up Compared With June 1983	C 1
Sohyo Head Hits Nakasone Policies at Convention	C 2

## NORTH KOREA

Delegation Not To Attend Japanese Fishery Talks	D 1
VRPR on Chon Tu-hwan's Letter to IOC's Samaranch	D 1
U.S., South Urged To Accept Talks Proposal	D 3
NODONG SINMUN Notes U.S. Arms Buildup in South [22 Jul]	D 4
Remarks of U.S. Army Chief in South Criticized	D 5
[NODONG SINMUN 23 Jul]	
Chon's Wife Involved in Illegal Land Deal	D 6
Labor Party Victory in New Zealand Assessed	D 6
[NODONG SINMUN 23 Jul]	
Kang Song-san Meets GDR Industry Delegation	D 7
Paper Notes Poland's Progress Since Liberation	D 7
[NODONG SINMUN 22 Jul]	
Greetings Sent on Sandinist Founding Anniversary	D 8
Burundi President Meets Pak Song-chol, WPK Group	D 8
Egyptian National Day, Revolution Commemorated	D 8
NODONG SINMUN Marks Occasion [23 Jul]	D 8
Envoy Hosts Reception	D 9
Yim Chun-chu Attends Educational Workers Meeting	D 10
Implementation of Plenum's Decisions Urged	D 12
[NODONG SINMUN 21 Jul]	
Mass Rallies Encourage Adherence to 'Teachings'	D 15
Kim Chong-il Praised for Beautification Work	D 20
Briefs: Japanese Scholars Group; PRC Art Ensemble Leaves;	D 22
Reception for MAC Members	

## SOUTH KOREA

U.S. Finds Many Forged Immigration Applications	E 1
North Said To Send Team to Seoul Olympic Games	E 1
[THE KOREA HERALD 24 Jul]	
Official Denounces 1988 Games [KYONGHYANG SINMUN 23 Jul]	E 1
Deputy Defense Minister Arrives in Saudi Arabia [SPA]	E 1
Fishing Boat Released by Mauritania 18 Jul	E 2
Increased Offers for Barter Trade Received	E 2

## KAMPUCHEA

Chan Si Winds Up Visit to Soviet Union	H 1
Soviet Official's Comments	H 1
Tours Dushambe, Departs USSR	H 1
SPK on Communique	H 1
French National Assembly Delegation Pays Visit	H 2
Meeting With Hun Sen	H 2
AFP on Details of Meeting	H 3
Forces Battle Pol Pot 'Bandits' in Kampot	H 4
'Bandits' in Kratie	H 4
Six-Month Report on 'Misled' People in Takeo	H 4
Chea Sim's Speech at Close of Muslim Conference	H 4

## LAOS

AFP Cites Official on Search for U.S. MIA's	I 1
Talks With Thai Side 'Temporarily Suspended'	I 1
Commentary Reasserts Sovereignty Over Villages	I 1
Maisouk Saisompheng Hails SRV Assistance	I 4
Official Comments on Treaty	I 6
Leaders Send Greetings on Polish National Day	I 8
Party Paper Hails Anniversary	I 9
Reception Held	I 10
Officials Attend Photo Exhibit	I 10
Party Delegation Returns From CSSR Conference	I 10
Sali Vongkhamkao Addresses Census Conference	I 11
Attends Award Ceremony	I 11

## THAILAND

Reportage on Border Talks With Lao Delegation	J 1
No Agreement Reached [BANGKOK POST 24 Jul]	J 1
Prem on Suspension of Talks	J 1
Foreign Minister's Comments [BANGKOK WORLD 24 Jul]	J 2
NATION REVIEW Editorial [24 Jul]	J 3
Foreign Minister Departs for 5-Day PRC Visit [BANGKOK WORLD 24 Jul]	J 4
Sergeant Killed by Vietnamese Mortar Fire	J 4
Ahit Blames Khmer Resistance For Border Attack [BANGKOK POST 22 Jul]	J 4
Military Notes Desertions by Troops in Kampuchea	J 5
Bangkok City Police Placed on 'Full Alert' [BANGKOK WORLD 21 Jul]	J 5
Paper Reports Communist Party Ties to Vietnam [THE NATION REVIEW 21 Jul]	J 6
Defector Says Separatist Leader Dies in Malaysia [BANGKOK WORLD 21 Jul]	J 7
Trade Deficit Figures for 1st Half Year Reported	J 7

## VIETNAM

Thai-U.S. 'Cobra Gold-84' Exercise Reported	K 1
Border Talks Opened Between Thailand, Laos	K 1
Vietnam Marks 40th Polish National Day	K 1
SRV Leaders Send Greetings	K 1
NHAN DAN Editorial [22 Jul]	K 2
Cham Towers Restored with Polish Assistance	K 3
Truong Chinh, Nguyen Huu Tho Greet Souphanouvong	K 3
GDR Ship Arrives in Haiphong; Ceremony Held	K 4
VFTU International Activities Reviewed	K 4
Public Security Sector Lowers Crime Rates	K 5

## AUSTRALASIA

## NEW ZEALAND

Members of New Labor Government Announced	M 1
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## PHILIPPINES

Marcos Makes State of Union Speech to Batasan	P 1
Batasan Adopts Rules, Including Question Hour	P 9
Assemblyman Sends Letter to Marcos on Violence	P 9
[THE MANILA PAPER 9 Jul]	
Police Disperse Demonstrators at Batasan Opening	P 10
Olivas Says Communists Infiltrated Rallies	P 11
Mendoza Gives Up Post as Pampanga Governor	P 11
Bank Withdrawals Expand Nation's Reserve Money	P 12
[BUSINESS DAY 19 Jul]	
Central Bank Officials Pushing for Liquidity Cut	P 13
[BUSINESS DAY 20 Jul]	
BUSINESS DAY: Banco Filipino To Begin Closure [23 Jul]	P 14
Government To Continue To Aid Distressed Banks	P 16
BUSINESS DAY: IMF Insists on Flexible Peso Rate [20 Jul]	P 16
Opposition Leader Urges 'Struggle' Against IMF	P 18
[METRO MANILA TIMES 22 Jul]	

EMBASSY TO REOPEN IN LEBANON 'SHORTLY'

OW231305 Tokyo KYODO in English 0906 GMT 23 Jul 84

[Text] Tokyo, July 23 KYODO -- The Japanese Embassy in Lebanon, closed since February due to continuing violence, will reopen this weekend, a high-ranking Foreign Ministry official said Monday. He said the move reflected a gradual improvement in the security situation in Beirut.

The Japanese Embassy in Beirut suspended operations on February 17 and Ambassador Akiyuki Sawai and other embassy personnel fled to Cyprus. Foreign Ministry officials said the February 9 directive to Japanese nationals to avoid entering Lebanon remains in effect because of the volatile situation there.

BANKS RAISE LARGE LOAN FOR SOUTH KOREAN BANK

OW240739 Tokyo KYODO in English 0627 GMT 24 Jul 84

[Text] Tokyo, July 24 KYODO -- A syndicate of 36 Japanese financial institutions Tuesday signed a contract to extend a 20 billion yen (81 million dollars) loan to Korea Exchange Bank in the largest such loan provided by Japan to a Korean borrower, one of the six Japanese original lead managers said.

The Sumitomo Bank said the 10-year loan will carry an annual interest rate equal to the long-term prime rate plus 0.1 percent, which will be reviewed in five years for half of the loan. The other half will bear a rate equal to the prime rate without a premium and this will be reviewed every year. The loan will be used to facilitate export and import activities of the Korean bank, Sumitomo officials said.

The six original lead managers are the Bank of Tokyo, the Industrial Bank of Japan, the Mitsubishi Bank, the Mitsubishi Trust and Banking Corp., the Sanwa Bank and the Sumitomo Bank.

FIRM TO AID PRC MACHINE TOOL MANUFACTURER

OW240729 Tokyo KYODO in English 0710 GMT 24 Jul 84

[Text] Tokyo, July 24 KYODO -- Toyoda Machine Works, Ltd., a major Japanese machine tool manufacturer, said Tuesday it has concluded a five-year agreement with China Machinery and Equipment Import and Export Corporation to help assemble its machining centers in Beijing. The agreement was signed in Beijing last week between Shigematsu Asai, president of the Japanese manufacturer, and the Chinese counterpart, a company official said.

CRUDE OIL IMPORTS UP COMPARED WITH JUNE 1983

OW231303 Tokyo KYODO in English 0830 GMT 23 Jul 84

[Text] Tokyo, July 23 KYODO -- Japan's crude oil imports edged up 1.7 percent from a year ago in June to 15.7 million kiloliters, scoring the seventh straight year-to-year rise, the Ministry of International Trade and Industry said in a preliminary report Monday.



But crude imports from Iran were cut by half from a year ago and those from Middle East countries accounted for 65.7 percent of Japan's total imports, declining below 70 percent for the first time in 10 months, due to the escalation of Iran-Iraq war, MITI officials said.

On the other hand, imports from Malaysia, Brunei and China increased sharply to compensate for the loss of imports from the Mideast region, where there was a decline of 6.7 percent to 10.3 million kiloliters.

Those from Saudi Arabia went down 14.2 percent to 3.8 million kiloliters, the United Arab Emirates down 9.9 percent to 2.5 million kiloliters, the neutral territory, including Khafji, down 26.3 percent to 800,000 kiloliters and Iran down 49.7 percent to 500,000 kiloliters. But those from Kuwait soared 2.8 times from a year ago to 600,000 kiloliters and Qatar rose 28.9 percent to 800,000 kiloliters. Imports from Malaysia jumped 2.2 times from a year earlier to 700,000 kiloliters, Brunei went up 74.2 percent to 400,000 kiloliters but those from Indonesia declined 5.1 percent to 1.9 million kiloliters. Those from Mexico doubled to 900,000 kiloliters and from China rose 59.5 percent to 1.2 million kiloliters.

Crude oil processed last month rose 10.3 percent from a year ago to 13.7 million kiloliters, scoring the ninth straight year-to-year rise. Production of fuel oil went up 7 percent from a year before to 13 million kiloliters in June for the seventh straight year-to-year rise.

Crude oil inventory declined 5.9 percent from a year earlier to 26.8 million kiloliters. Fuel oil sales in the month rose 2.1 percent over a year ago to 13.4 million kiloliters, marking the 11th straight year-to-year advance.

#### SOHYO HEAD HITS NAKASONE POLICIES AT CONVENTION

OW240623 Tokyo KYODO in English 0302 GMT 24 Jul 84

[Text] Tokyo, July 24 KYODO -- Japan's biggest labor union federation opened a four-day convention Tuesday with its leader bitterly lashing out at conservative Prime Minister Yasuhiro Nakasone's domestic and foreign policies.

Takeshi Kurokawa, head of the General Council of Trade Unions of Japan (Sohyo), said in an address that the federation must make an all-out assault against the Nakasone government's current attempt to reshape the bureaucratic structure and reform the country's education program. Kurokawa, who heads the 4.5 million-member Sohyo, said organized unions should join hands with residents of local areas in a wide-ranging struggle against the government, which is trying to trim the bloated government structure, revise the education program and reorganize the deficit-stricken state-supported Japanese National Railways. He charged that Nakasone has knuckled under to U.S. President Ronald Reagan's strategy of encircling the Soviet Union, adding that the premier is running toward military reinforcement.

Kurokawa stressed that Sohyo's campaign be focused on a peace struggle centering on its opposition to the U.S. deployment of Tomahawk cruise missiles on American warships, as well as on seeking reduction in workers' working hours and bringing non-union workers to organized unions.

DELEGATION NOT TO ATTEND JAPANESE FISHERY TALKS

SK240526 Pyongyang KCNA in English 0512 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- Kim U-chong, vice-chairman of the Friendship Association for Promotion of Korea-Japan Amity, issued the following talk today in connection with the very unfriendly attitude of the Japanese authorities concerned to the fact that Yuichi Tani acting for the chairman of the Dietmen's League for Promotion of Japan-Korea Friendship recently invited a delegation of the Friendship Association for Promotion of Korea-Japan Amity to visit Japan to discuss pending problems between Korea and Japan:

Recently Mr Yuichi Tani acting for the chairman of the Dietmen's League for Promotion of Japan-Korea Friendship sent a telegram to the chairman of the Friendship Association for Promotion of Korea-Japan Amity and invited a delegation of our association to visit Japan to discuss pending problems between the two countries including the problem of extending the provisional fisheries agreement.

The Friendship Association for Promotion of Korea-Japan Amity is grateful for this, estimating this initiative of the Dietmen's League for Promotion of Japan-Korea Friendship as an expression of good faith for developing good neighbourly relations of friendship between the Korean and Japanese peoples. But the Japanese authorities concerned attached strings to this problem, saying that they would decide whether to permit or not the entry of the members of our delegation in view of their level and purpose of their visit.

This is an expression of the very unfriendly and hostile attitude of the Japanese authorities to us and an entirely unjust one contradictory to international usage and morals.

As everyone knows, it was thanks to the good faith and generosity of the government of our republic which is desirous of the stability of lives of poor Japanese fishermen and the development of friendly relations between the Korean and Japanese peoples that the provisional fisheries agreement was concluded between non-governmental organisations of Korea and Japan and it was extended repeatedly. It is entirely due to the unfriendly attitude of the Japanese authorities that the agreement has not been extended again but is in the state of repeal.

This notwithstanding, the Japanese authorities are again creating artificial obstacles to the problem of the entry of our delegation into Japan.

Therefore, we will not send our delegation to Japan as the Japanese authorities, refusing to reflect upon themselves, took such an unfriendly attitude as attaching strings to this problem.

VRPR ON CHON TU-HWAN'S LETTER TO IOC'S SAMARANCH

SK240259 (Clandestine) Voice of the RPR in Korean to South Korea 1000 GMT 23 Jul 84

[Station commentary]

[Text] On 22 July, traitor Chon Tu-hwan sent a so-called personal letter to International Olympic Committee President Samaranch through Sports Minister Yi Yong-ho. In the message, he raved that he is making perfect preparations for the Olympics with the full support of the people, that the Olympic torch that will burn in Seoul in 1988 will promote friendship among the participating countries and contribute to world peace, and so forth.

This is a scheme designed to mislead public opinion at home and abroad opposing the holding of the 1988 Olympics in Seoul. This also shows how frantically the Chon Tu-hwan clique is adhering to filthy and mean tricks to realize the 1988 Olympics in Seoul.

Traitor Chon Tu-hwan's remark that perfect preparations are underway with the full support of the people is itself preposterous. As is known to all, traitor Chon Tu-hwan is wildly maneuvering to create an international atmosphere for the fabrication of two Koreas by holding the Olympics and to realize his long-term power at any cost.

The Chon Tu-hwan clique succeeded in winning the right to host the 1988 Olympics through various political stratagems and deceitful tricks to attain such a filthy political aim and is strengthening the plunder and repression of the people.

The Chon Tu-hwan clique is strengthening the repression of the people under various pretexts, establishment of order and so forth and is destroying shacks and expelling street vendors on the pretext of beautification of the environment and so forth. Thus, it is treating the people harshly, strengthening its vicious plunder.

Our masses unanimously reject the Chon Tu-hwan clique's maneuvers to host the 1988 Olympics because they are aimed at achieving a filthy political aim at the price of victimizing the people.

Today our people jeer at Chon Tu-hwan's maneuvers to host the 1988 Seoul Olympics as a political gamble for long-term power, as deficit Olympics, as Olympics victimizing the people, and as sport games using loans.

Nevertheless, traitor Chon Tu-hwan is distorting the truth by saying that the 1988 Olympics in Seoul are enjoying the active support of the people. This is intolerable. Furthermore, his remarks that the 1988 Olympics will promote friendship among the participating countries and will greatly contribute to world peace are preposterous and nonsensical.

South Korea is colony of the United States, which views all nations and peoples whose systems and ideologies are different from it as enemies and is a land where fascism and anticommunist confrontation rackets are rampant. Such a remark that sportsmen from peace-loving countries including socialist and Third World can compete in sport games freely in such a land on the basis of the idea of unity and friendship and that their friendship can be promoted is indeed preposterous and nonsensical.

Today, the peace-loving masses of the world, not to speak of our people, demand peace and peaceful reunification of the Korean peninsula. Traitor Chon Tu-hwan, however, is running amok to use the sacred Olympics as a tool to fabricate two Koreas. Moreover, he is strengthening repression of the people on the pretext of hosting the 1988 Olympics in Seoul while waging anticommunist war rackets, thus aggravating the situation.

It is clear that in such a place, we can neither promote friendship among sportsmen nor contribute to world peace. Nevertheless, traitor Chon Tu-hwan is adhering to all kinds of preposterous tricks in order to attain his filthy aim by hosting the 1988 Olympics at any cost.

If the 1988 Olympics are held in Seoul, they will become a toy of Chon Tu-hwan, just as the 1936 Olympics hosted by Hitler, and will greatly threaten peace on the Korean peninsula and the peace and security of the world.

Therefore, the peace-loving people of the world, not to speak of our people, will never be deceived by the sweet words of traitor Chon Tu-hwan, a pro-U.S. stooge. They will not tolerate the vicious maneuvers of traitor Chon Tu-hwan to attain his filthy political aim through the 1988 Olympics.

U.S., SOUTH URGED TO ACCEPT TALKS PROPOSAL

SK231154 Pyongyang Domestic Service in Korean 0920 GMT 23 Jul 84

[Unattributed talk: "An Epochal Proposal for a Peaceful Solution to the Korean Question"]

[Text] The great leader Comrade Kim Il-song has taught: Our proposal for tripartite talks is a very reasonable and realistic way to open a new phase in the peace and peaceful reunification of Korea.

Because of the unceasing provocation maneuvers of the U.S. imperialists and the South Korean military, fascist elements, the danger of the outbreak of another war at any moment exists constantly in our country. Instead of aggravating the situation while seeking confrontation, a peaceful phase for settling these problems should be pioneered through dialogue in order to remove the strained situation prevailing in our country and solve peacefully the Korean question. Only through dialogue can the danger of war be averted and the situation be turned in favor of peace and peaceful reunification.

From this viewpoint, the government of the republic set forth a new proposal for tripartite talks. Talks for a peaceful solution to the Korean question should be tripartite talks in which we the United States, and the South Korean authorities, who are responsible for the aggravation of tension on the Korean peninsula, participate. The United States takes the inevitable responsibility for guaranteeing peace on the Korean peninsula and for removing obstacles on the road to Korean reunification.

The United States, which has stationed its troops in South Korea for nearly 40 years, holds the prerogative of supreme command over the South Korean puppet army and puts South Korea under its control. It is the United States which has augmented armed forces in South Korea, has introduced military equipment there, has commanded all large- and small-scale war exercises, and has incited the puppets to North-South confrontation while supplying murderous weapons to South Korea. The United States takes the main responsibility for the fact that the situation in our country is always tense and, as today, the situation has reached the brink of war. Therefore, unless the problems are solved by direct meetings with the United States, the tense situation prevailing in our country cannot be removed and a peaceful phase in national reunification cannot be opened.

The situation, which has become acute on the Korean peninsula, is also connected with the fact that, having left South Korea to the U.S. imperialists as a military bridgehead for realization of their strategy toward Asia, the South Korean authorities are seeking North-South confrontation while following the U.S. imperialists' policy of war. Under these circumstances, the South Korean authorities should also participate in the talks for a full solution to the question of removing the state of military confrontation in our country and easing the tense situation.

Tripartite talks are an essential talks formula in view of the contents of the question to be discussed as well. The strained situation prevailing in our country today is attributable to the U.S. policy of strength which has been ceaselessly intensified. Under this condition, the question of guaranteeing a perfect peace between us and the United States, the substantive signatories of the Armistice Agreement, and the question of withdrawing the U.S. troops from South Korea should be discussed at tripartite talks.

Along with this, a declaration of nonaggression should be adopted, envisaging the North and the South firmly promising not to use armed forces against each other and not to attack the other side, drastically reducing their armies and armaments, and removing the state of military confrontation.



Only when tripartite talks are held can all the problems which should be solved between us and the United States and between us and the South Korean authorities be smoothly settled.

Our proposal for tripartite talks is an epochal measure to remove the current danger of war from Korea, to guarantee peace firmly, and to provide a favorable pre-condition for peaceful reunification. However, the United States and the South Korean authorities are not trying to come to the theater of talks, saying beforehand that the sincerity of peaceful proposal is doubtful without attempting to sit face to face with us.

In August, 1976, after we proposed Korean-U.S. talks to the United States, tripartite talks were first set forth by the then U.S. secretary of state. In his speech during his visit to South Korea last November, incumbent U.S. President Reagan also said that the United States would willingly attend talks with us in which South Korea participated. The South Korean authorities also agreed to the tripartite talks proposed by the United States. Therefore, there is no reason why both the United States and the South Korean authorities cannot accept our proposal for tripartite talks. The attitude toward the proposal for tripartite talks will be a touchstone deciding whether the United States and the South Korean authorities desire peace in Korea or seek war.

If they genuinely want the peace and peaceful reunification of Korea, the United States and the South Korean authorities should sincerely accept our true proposal and explore ways to settle the problems by contacting us without delay. We will patiently wait for the response of the United States and the South Korea side to our proposal for tripartite talks.

#### NODONG SINMUN NOTES U.S. ARMS BUILDUP IN SOUTH

SK231032 Pyongyang KCNA in English 1019 GMT 23 Jul 84

[Text] Pyongyang July 23 (KCNA) -- NODONG SINMUN July 22 notes that the U.S. imperialists declared South Korea "the frontline of the U.S. strategy" and have in recent years largely massed aggression forces and latest-type military equipment in and around South Korea, getting frantic in their preparations for the provocation of war.

The paper says in an article: Even according to announcements of the U.S. imperialist aggressors, they introduced 72 "F-16" fighter bombers, 24 "A-10" close support planes, new-type "AH-1 Cobra" helicopters and 100 "Black Hawk" helicopters and so on for their aggression army units present in South Korea. Some time ago, they shipped in "M-60A 3" tanks and "M 198" long-range howitzers claimed to have been manufactured to suit the topographical conditions of Korea.

Not content with this, the U.S. imperialist aggressors intend to arm their troops present in South Korea with more than 180 kinds of new-type equipment, including improved-type "TOW" missiles in two or three years to come. Declaring "the second Korean war would be a nuclear war," they are massing more nuclear weapons and their delivery means in South Korea and around its surrounding waters.

The U.S. imperialists who have already turned South Korea into a "show window of nuclear weapons" by deploying more than 1,000 pieces of nuclear weapons and their delivery means, as if it were not enough, intend to deploy there "Pershing II" medium-range nuclear missiles, cruise missiles and "B 52" strategic bombers under the U.S. Airforce Strategic Command, along with the neutron weapons which are rejected by the world people.

They are scheming to modernize the arms equipment of the South Korean puppet army. This year alone they deliver lethal weapons worth 2,000 million dollars including "F 4" Phantom planes to the puppets under the name of "sales" and give them 230 million dollars in military aid.

They have already equipped puppet navy's patrol boats with "Harpoon missiles" and plan to supply to the South Korean puppets "F 16" fighter bombers, "TOW" missiles, improved-type "Hawk" missiles and frigate ships and so on. At the same time, they are concentrating vast aggression forces in the areas near Korea including Japan proper and Okinawa and putting spurs to the completion of the operational posture with repeated war exercises.

Still now, the U.S. imperialist aggressors are infiltrating high-speed, high-altitude reconnaissance planes deep into the territorial waters of our country in the east and west for systematic espionage and are committing military provocations of firing shells and bullets at areas of our side after deploying heavy weapons in the Demilitarized Zone.

The situation has entered a more grave stage as they are manoeuvring to inveigle the Japanese militarist forces into the execution of their war policy by making haste with the formation of a U.S.-Japan-South Korea three-way military alliance.

The paper stresses: The U.S. imperialists must stop the adventurous arms buildup and moves for the provocation of war, come out to the tripartite talks proposed by us and withdraw from South Korea without delay along with all their aggression forces.

#### REMARKS OF U.S. ARMY CHIEF IN SOUTH CRITICIZED

SK230840 Pyongyang KCNA in English 0818 GMT 23 Jul 84

[Text] Pyongyang July 23 (KCNA) -- NODONG SINMUN today comments on the fact that the commander of the U.S. Army in South Korea, speaking at a meeting sponsored by a reptile organisation on July 19, repeated the claim of his predecessor about the military "predominance" of North and cried for a "showdown of strength."

Referring to the fact that he called for strengthening a war posture to counter the "increasing military threat" of the North with the 1986 Asian Games and 1988 Olympic Games in the offing, the author of the commentary notes: This is a far-fetched assertion for misleading public opinion, justifying the U.S. forces' occupation of South Korea and veiling their aggressive and belligerent policy.

The commentary says: He made a queer assertion that the U.S. forces are present in South Korea to convince us that "southward invasion" is of no use.

It is not because of "threat of southward invasion" but to keep hold of South Korea as a colony and military base and expand the sphere of its influence in Asia that the United States is today occupying South Korea and pursuing the policy of aggression and war.

To cry for maintaining the occupation policy and stepping up the arms buildup and the reinforcement of the equipment, while harping on the old tune of the predecessor about the "military predominance" and southward invasion of the North is a shameless brigandish assertion and proves that the aggressive nature of U.S. imperialism has not changed.

It is time for the United States to get out of South Korea, stopping the fictitious talk about "southward invasion" and refraining from disturbing peace.



CHON'S WIFE INVOLVED IN ILLEGAL LAND DEAL

SK241005 Pyongyang KCNA in English 1000 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- One more scandal of fabulous fortune-making by the traitor Chon Tu-hwan's family was brought to light in South Korea. According to SINHAN MINBO, a newspaper of Koreans published in the United States, Yi Sun-cha, traitor Chon's wife, sold off 1.4 million pyong of land (one pyong is six feet square) in Mokdong, Kangso District, Seoul, and misappropriated the money.

While engaging herself in illicit money-making and swindle in league with a certain Chang from the time of the "Yusin" rule of the defunct dictator, she had allowed no one to lay hands on this land after marking it off as a "green zone" through the town planning section of the puppet Seoul City Hall. After the puppet Chon Tu-hwan grabbed "power," she sold off the land for a colossal amount of money with its backing.

This scandal was disclosed when the victims informed some U.S. congressmen of this recently.

LABOR PARTY VICTORY IN NEW ZEALAND ASSESSED

SK231535 Pyongyang KCNA in English 1515 GMT 23 Jul 84

[Text] Pyongyang July 23 (KCNA) -- NODONG SINMUN Monday carries a signed article on the changed situation in New Zealand after the Labour Party defeated the National Party by a wide margin in the general parliamentary elections on July 14. The paper says in part:

The policy of the National Party has driven the economy of New Zealand into a stagnation. Moreover, the National Party government admitted and allowed U.S. nuclear-powered submarines to call at New Zealand ports. This policy of the national government called forth discontent of political parties, public organizations and people of New Zealand.

Contrary to the National Party, the Labour Party promised in the election campaign that it would "recoordinate the ANZUS" and prohibit the portcalls of U.S. nuclear-powered warships.

The foreign affairs spokesman of the Labour Party said his party's official policy is to recoordinate the ANZUS to "ensure the economic, social and political stability in Southeast Asian and Pacific countries" and that his party's decision of ban on the port-call of U.S. nuclear-powered warships is uncompromising.

The party proposed that a nuclear-free zone be established in the territorial waters of New Zealand up to 200 miles off the shore. The election program of the Labour Party reflected the anti-nuclear sentiments of people and democratic forces at home. That is why in the recent elections, the Labour Party could win support of the electorate and defeat the National Party.

Lange, leader of the Labour Party, who was elected prime minister of the new government on July 16 charged Prime Minister Muldoon with devastation of the New Zealand economy and urged him to resign at once.

An official of the Labour Party declared in a television interview that one of the first steps of the new government would be the closure of the South African Consulate.

The policy of the New Labour government of New Zealand attracts public attention.

KANG SONG-SAN MEETS GDR INDUSTRY DELEGATION

SK240420 Pyongyang KCNA in English 0350 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- Premier Kang Song-san on July 23 met the government machine building industry delegation of the German Democratic Republic headed by Rudi Georgi, minister of machine tools and processing machines of the GDR, and had a friendly talk with it.

Present there were Yi Cha-pang, minister of the First Ministry of Machine Building, Kim Chong-u, vice-minister of external economic affairs, and Johann Stasch, charge d'affaires ad interim of the GDR Embassy in Pyongyang.

In the evening, Premier Kang Song-san arranged a dinner for the delegation.

PAPER NOTES POLAND'S PROGRESS SINCE LIBERATION

SK220928 Pyongyang KCNA in English 0920 GMT 22 Jul 84

[Text] Pyongyang July 22 (KCNA) -- Papers here today observe the 20th anniversary of the resurrection of Poland.

A signed article of NODONG SINMUN says that the resurrection of Poland is a brilliant fruition of the struggle of the Polish Communists and people who rose up as one man in the noble struggle for the liberation of the country from the fascist occupiers. It continues:

After the liberation the industrious Polish people have all along made energetic efforts for the building of a new life and effected great changes in various fields of social life such as economy and culture. In recent years they courageously overcame temporary difficulties created by the vicious anti-socialist moves of the imperialists and domestic counter-revolutionary forces and reliably defended the security of the country and the gains of revolution under the leadership of the Polish United Workers' Party headed by respected Comrade Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the Council of Ministers.

Today the Polish people are vigorously striving to carry into practice the program of socialist renovation and reform adopted at the Ninth Congress of the PUWP and fulfil the three-year plan. The Polish party, government and people are making positive efforts to oppose the U.S. imperialists' pressure and interference, firmly defend the present borderline of Poland and the sovereignty of the country, prevent a nuclear war and preserve peace in Europe.

The Korean people sincerely rejoice over the successes of the fraternal Polish people in the revolution and construction and extend firm solidarity to the just cause of the Polish people.

The Korean and Polish peoples established tight bonds of friendship long ago and support and cooperate closely with each other. Particularly in May, the great leader Comrade Kim Il-song visited Poland, leading a party and state delegation of our country, and met respected Comrade Wojciech Jaruzelski and deepened comradely friendship and intimacy. It was a historical event of weighty significance in developing the traditional relations of friendship, solidarity and cooperation between the two peoples, accelerating socialist construction in Korea and Poland and increasing the might of the socialist forces as a whole.

Our people hope that everything will progress well in Poland under the leadership of the PUWP in the future and sincerely wish the fraternal Polish people greater success in socialist construction.

GREETINGS SENT ON SANDINIST FOUNDING ANNIVERSARY

SK231020 Pyongyang KCNA in English 1009 GMT 23 Jul 84

[Text] Pyongyang July 23 (KCNA) -- The Central Committee of the Workers' Party of Korea on July 22 sent a message of greetings to the national leadership of the Sandinist National Liberation Front of Nicaragua on the occasion of the 23rd anniversary of the founding of the Sandinist National Liberation Front.

The message reads: The Central Committee of the Workers' Party of Korea extends warm felicitations to the national leadership of the Sandinist National Liberation Front and the entire members of your front on the occasion of the 23rd founding anniversary of the Sandinist National Liberation Front.

We bitterly denounce the armed intervention of the U.S. imperialists and their stooges in Nicaragua and express firm solidarity with you in your struggle to defend the revolutionary gains and build a new society, independent and prosperous.

Believing that the friendly and cooperative relations between our two parties and two peoples will grow stronger and develop in the common struggle against imperialism and for independence, we take this opportunity of sincerely wishing you greater success in your work.

BURUNDI PRESIDENT MEETS PAK SONG-CHOL, WPK GROUP

SK240359 Pyongyang KCNA in English 0346 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- Burundi President Jean-Baptiste Bagaza on July 19 met with a delegation of the Workers' Party of Korea headed by Comrade Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president of the DPRK, staying in his country to attend the Second Congress of the Party of National Unity and Progress of Burundi, [PNHPB] according to a report.

The head of the delegation conveyed cordial regards of President Kim Il-song to the Burundi President. The president expressed deep thanks for this and asked the head of the delegation to convey his heartfelt greetings to President Kim Il-song.

He wished President Kim Il-song good health and a long life. He expressed his heartfelt thanks to President Kim Il-song for having sent a high-level party delegation to greet the Second Congress of the PNUPB. This gives us a great encouragement, he said.

He warmly congratulated President Kim Il-song upon his successful official goodwill visit to the Soviet Union and European socialist countries. The talk took place in a friendly atmosphere.

Present on the occasion were the members of the delegation and the Korean ambassador to Burundi. Emile Mworoha, secretary-general of the PNUPB, the minister of foreign affairs and cooperation and the minister of youth, sports and culture were also present. The president arranged a luncheon for the delegation on the same day.

EGYPTIAN NATIONAL DAY, REVOLUTION COMMEMORATED

NODONG SINMUN Marks Occasion

SK231037 Pyongyang KCNA in English 1030 GMT 23 Jul 84

[Text] Pyongyang July 23 (KCNA) -- Papers here today dedicate articles to the 32nd anniversary of the Egyptian people's victory in the July 23 revolution.



The author of a NODONG SINMUN article says that the proclamation of the republic nearly one year after the Egyptian people achieved victory in the revolution by overthrowing the Faruq dynasty was a historic event which opened a wide road for them to build a new life.

He further says: Since the victory of the revolution the Egyptian people have waged a vigorous struggle to defend the country's sovereignty and territorial integrity and build a new society. Today they are making a new advance in the struggle to achieve social stability and develop the national economy and culture under the leadership of President Muhammad Husni Mubarak. Egypt is pursuing the non-aligned, neutral foreign policy.

The Korean people hail the successes of the friendly Egyptian people. The Korean and Egyptian peoples have long since forged the bonds of friendship and supported and cooperated with each other. The visit of President Muhammad Husni Mubarak to our country in April last year greatly contributed to developing the Korea-Egypt friendship on to a new higher stage. The friendship between the two peoples is developing favourably as days go by.

The Korean people believe that the friendly and cooperative relations between the two peoples will further develop in conformity with their common interests and with the noble idea of the Non-Aligned Movement.

The Korean people hope the Egyptian people will register greater success in their endeavours for the prosperity of the country.

#### Envoy Hosts Reception

SK240452 Pyongyang KCNA in English 0421 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- Muhammad 'Abd ar-Rahman 'Abd as-Salam, Egyptian ambassador to Korea hosted a reception on the evening of July 23 to mark the 32nd anniversary of the July 23 revolution of the Egyptian people.

Invited to the reception were Kim Kwan-sop, chairman of the Committee for Cultural Relations with Foreign Countries; Chon Yong-chin, vice-minister of foreign affairs; Han Su-kil, vice-minister of foreign trade; Om Tok-hwan, vice-minister of external economic affairs; Song Pong-sun, deputy general director of the KOREAN CENTRAL NEWS AGENCY; and personages concerned.

Speaking at a banquet Ambassador Muhammad 'Abd ar-Rahman 'Abd as-Salam said the Korean people under the wise guidance of the great leader Comrade Kim Il-song have rendered unsparing support to the just struggle of the Egyptian people. We are grateful for this and will always remember this, he said.

He pointed out that the friendly and cooperative relations between Korea led by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and Egypt were developing multilaterally in all fields including politics, economy and culture on the basis of the intimacy established between the great leader President Kim Il-song and Egyptian President His Excellency Husni Mubarak.

Our people follow with deep interest the achievements of the Korean people in the carrying out of the three revolutions, ideological, technical and cultural, and rejoice over them as over their own, he remarked.

We, he declared, will actively support in the future, too, the Korean people in their just struggle to reunify the divided country independently and peacefully.

In his speech Chairman Kim Kwan-sop noted that the Egyptian people under the correct leadership of respected President Muhammad Husni Mubarak have vigorously struggled to build an independent and prosperous, new Egypt and achieved remarkable successes. Our people are sincerely rejoiced over all the achievements of the Egyptian people in the social and economic fields and wish them greater progress in their future struggle, he said.

Under the wise guidance of the great leader Comrade Kim Il-song and the glorious party centre the Government of the Democratic People's Republic of Korea and the Korean people will firmly defend the noble principles and idea of the Non-aligned Movement in the future, too, and, on this basis, continue to develop the relations of friendship and cooperation with Egypt and other Third World countries and the developing countries, he declared.

The attendants of the reception raised glasses to the friendship and unity between the Korean and Egyptian peoples, to the good health and long life of the great leader President Kim Il-song, to the good health and long life of the dear leader Comrade Kim Chong-il and to the good health and long life of President Muhammad Husni Mubarak, the respected leader of the Egyptian people.

#### YIM CHUN-CHU ATTENDS EDUCATIONAL WORKERS MEETING

SK240351 Pyongyang KCNA in English 0330 GMT 24 Jul 84

[Text] Pyongyang July 24 (KCNA) -- A national meeting of active educational workers was held in Pyongyang from July 18 to 22.

Placed on the platform of the meeting hall was a portrait of the great leader President Kim Il-song.

The meeting was attended by Comrade Yim Chun-chu, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president; Comrade Chong Chun-ki, alternate member of the Political Bureau of the WPK Central Committee and vice-premier of the Administration Council; Comrade Hwang Chang-yop, secretary of the WPK Central Committee; and Kim Kuk-tae, director of a department of the WPK Central Committee; Choe Tae-pok, chairman of the Educational Commission, and other personages concerned and activists in the educational domain from all parts of the country.

Comrade Hwang Chang-yop made a report, which was followed by speeches.

The meeting summed up successes and experiences achieved in the work of people's education and training of national cadres under the wise leadership of the great leader President Kim Il-song and the glorious party centre.

The reporter and speakers noted with pride that, with the successful implementation of the policy of placing education before all other work and the chuche-oriented educational policy set forth by President Kim Il-song, our educational work which started from scratch after the liberation has brought up a large army of technicians and specialists in a historically short period with universal eleven-year compulsory education enforced.

The meeting stressed that the publication of "Theses on Socialist Education," the educational programme of chuche advanced by the great leader President Kim Il-song on September 5, 1977, was a historic event of great significance in the educational development of our country.

The meeting noted that dear Comrade Kim Chong-il roused the whole party and the entire people in the struggle to carry out the theses on socialist education and energetically led them to effect an epochal turn in all fields of the educational work.

The whole course covered by our education, emphasized the reporter and speakers, is a history of the tested leadership of the great leader and the glorious party centre in giving definite precedence to education in all work and wisely guiding it to be a work of the whole party and the whole state and a history of the brilliant victory of the chuche-oriented educational idea and educational policy of our party.

The meeting discussed measures to effect a new revolutionary turn in the educational work for rearing the younger generation to be independent and creative communist revolutionary personnel in response to the demand for modelling the whole of society on the chuche idea.

It emphasized that the basic way of developing education to a new, higher stage lays in defending and adding shine to the immortal feats of the glorious party centre in the educational work.

Stressed at the meeting was the question of further strengthening political and ideological education and decisively enhancing the quality of scientific and technical education, upholding the party's policy of effecting a revolutionary turn in education.

The meeting also called for stepping up the preparations for compulsory higher education under a far-reaching plan.

"On Further Developing the Educational Work," a letter of Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, to the attendants of the national meeting of active educational workers was conveyed at the meeting.

The letter comprehensively indicates the direction and ways of developing education to a higher state in conformity with the new demand of our developing revolution in which the work of modelling the whole of society on the chuche idea is being vigorously promoted.

The letter indicates tasks to qualitatively ensure the universal 11-year compulsory education by thoroughly implementing "Theses on Socialist Education," a classic work of the great leader, accelerate the intellectualization of the whole of society by expanding and developing the training of technicians and specialists, enhance the role of the teachers in charge of the education of the younger generation, improve the educational conditions of the schools and strengthen the party's guidance of education.



IMPLEMENTATION OF PLENUM'S DECISIONS URGED

SK210833 Pyongyang Domestic Service in Korean 2132 GMT 20 Jul 84

[NODONG SINMUN 21 July Editorial: "Let Us All Advance for New, Greater Victory"]

[Text] Our party and people are now faced with the heavy task to brilliantly carry out the decisions made at the ninth plenum of the sixth party Central Committee. Our party members and working people are now vigorously advancing with firm faith, cherishing deep in their hearts the infinite dignity of carrying out the revolution under the leadership of the great party and the leader and the honor of having won a great victory in socialist construction.

This plenum was a historic meeting with important significance in the history of the revolutionary struggle of our party and people. The plenum provided a new milestone in accelerating the overall socialist cause, in defending world peace, and in effecting a great leap in our revolution and construction. At the plenum, the respected and beloved leader Comrade Kim Il-song stressed the need to further glorify this honor while pointing with dignity to the fact that our party and people have registered great successes and have enjoyed high international prestige by traversing the correct road in the past.

It is the important spirit of the plenum to brilliantly pioneer the road of socialist and communist construction in the future, as in the past, by invariably holding aloft the banner of the revolution, the banner of chuche.

The great leader Comrade Kim Il-song has taught: Our struggle has not ended. We are still on the road of revolution. We should see to it that all people continue to struggle resolutely with high revolutionary zeal and firm faith in victory until the final victory of the revolutionary cause has been won by surmounting all sorts of difficulties and trials.

Under the banner of Marxism-Leninism and the chuche idea, our party has advanced socialist construction without the slightest deviation or vicissitude. Thus, our party has developed our country's socialist construction to a higher stage and has contributed to the international cause of the working class.

The revolutionary banner which our party is holding aloft is not only a banner of struggle enabling the path of the times and the revolution to be brilliantly opened, but is also a banner of victory enabling the cause of socialism and communism to be successfully completed. For our party and people, there should not be the slightest stalemate in holding aloft the revolutionary banner. We should hold the glorious revolutionary banner higher and advance with firm faith and certainty.

Today, the socialist construction of our country has entered a period when a new change should be made. Therefore, we should vigorously accelerate the struggle to occupy the new higher goal of socialist and communist construction, taking the recent party plenum as an opportunity. Thus, we should achieve the grand 10 major prospective targets set forth at the sixth party congress, should epochally improve the people's standard of living, and should make a decisive advance in carrying out the cause of imbuing society with the chuche idea.

Today, we have all conditions needed to advance toward a higher goal. Being blessed with the leadership of the great party of invincible might and a bright future is a decisive guarantee for all our victories. The party is the general staff and the guiding force of the revolution. Only when the party is powerful and its leadership is thoroughly realized in practice can all things be smoothly carried out. The might of the country and the victory of socialist and communist construction depend on how party work is carried out. The might of the party is the key to success in all work.

Today, in our party, party work is being carried out at a very high level. The entire party has become one pure, united body ideologically and volitionally, the decisions and instructions of the party smoothly reach the lower echelons without pause, and these decisions and instructions are being implemented thoroughly.

Our people's greatest pride is having the party in which party work has been well organized and carried out, revolutionary discipline has been firmly established, and the question of inheriting the revolutionary cause has been brilliantly solved.

Our party has become a revolutionary party recognized by the world thanks to its great achievements and experiences in revolution and construction, its invincible combat power, and its leading dignity. Our people can more rapidly develop and carry out to the end the socialist and communist cause under any difficult circumstances because they have such a powerful and promising party. We have scientific revolutionary theories and firm material and technical foundations.

In leading the Korean revolution, our party has developed revolutionary theories in accordance with new demands of the revolutionary development.

The theories on occupying the two heights of communism uniquely established by the great leader Comrade Kim Il-song and the theories on building chuche-oriented communism, including those on the three revolutions of ideology, technology, and culture, are precious revolutionary theories whose vitality has been proven through practice. Thanks to these theories, our people are now solving all the difficult and complicated problems arising in the revolution and construction and will be able to pioneer brilliantly a new communist history.

Ours has become a rich and powerful socialist country. With our party's lines for self-reliant socialist national economy implemented, mighty, modern industry and an advanced rural economy have been established and the people's standard of living has further improved. Also, our country has mighty scientific and technical forces and a 1.2 million-strong rank of intellectuals which our party has trained to overcome all sorts of difficulties.

There are no goals that cannot be achieved by our people as long as they have a mighty and powerful party with the invincible might of the people rallied behind it, as long as they have correct lines to guide them and inexhaustible economic potentials, and as long as they are positively supported and encouraged by the peoples of the socialist countries and the world's revolutionary people. We have to make more rapid progress based on such foundations.

The effecting of another new change in all sectors of party work, revolution, and construction is an urgent demand for the development of the party and revolution and a unanimous aspiration of our people. When our people energetically push ahead with the revolutionary struggle and construction work with unusual determination and preparedness, our fatherland will become more prosperous and the material and cultural life of the working people will improve drastically.

Only when we build socialism in our own way by doing a splendid job of socialist construction can we give the South Korean people great encouragement and faith and drive the people in their struggle for the construction of a new society. Also, we can strengthen socialist forces and genuinely contribute to promoting the overall socialist cause. Our duty and task to struggle to effect great new rapid progress in the revolution and construction are very heavy and can be achieved only through vigorous struggle by the entire party and all the people. We should aggressively push ahead with the new, all-out march of the 1980's with a higher than ever revolutionary sense of responsibility and enthusiasm. First of all, we should strengthen the party and enhance all aspects of its militant functions and role.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has noted: Strengthening the party and enhancing its leadership function and role always emerges as an important matter in the whole course of socialist and communist construction.

The party's leadership should be strengthened further in accordance with progress of socialist and communist construction. Primarily, we should direct all efforts to thoroughly guaranteeing the party's leadership over all sectors of the revolution and construction. Our party's lines and the road our party follows are always clear and just.

All party members and working people should accelerate the revolution and construction in our own way in the interest of the people and in accordance with the concrete situation of our country by assuming the party's lines, policies, and (?slogans) as their firm conviction.

We should thoroughly establish a unitary ideological system within the party and establish a still firmer revolutionary discipline by which the entire party, the entire Army, and all the people move as one under the leadership of the party center. In addition, we should defend the party's unity and cohesion from generation to generation while solidifying it so as to make our party leading the revolution and construction on a straightforward and victorious road.

In strengthening the party's combat capabilities and leadership role, it is important to enhance the function and role of party organizations at all levels. By firmly establishing the spirit of unconditionally implementing the party's decisions and directives, party organizations should thoroughly execute all of the party's policies, including the great leader Comrade Kim Il-song's teachings on vigorously accelerating the socialist construction at the present era and the dear Comrade Kim Chong-il's policies.

The line of the three revolutions of ideology, technology, and culture is just and a great banner for socialist and communist construction. Socialism and communism cannot be achieved by merely occupying material fortifications. It is an iron rule that we can occupy the ideological and material fortresses -- the two fortresses of communism -- only when we carry out the three revolutions.

Nothing is better than the slogan of the three revolutions. Unless we carry out the three revolutions, we cannot accomplish the communist cause. We should grasp ideology and technology at the same time rather than adhering only to technology as an almighty means. We should make the people unite around the party by indoctrinating and reforming them in a communist way and giving priority to ideological revolution. At the same time, we should deepen the technological and cultural revolutions.

It is important to push ahead persistently in modernizing our economy by enhancing the qualifications and level of scientists and technicians, depending upon the strength of the 1.2-million intellectual force.

The important task put forth by the recent plenary meeting is to effect a great revolutionary upsurge in socialist construction. "Let Us Vigorously Advance with the Spirit of Self-Reliance for Arduous Struggle and With the Spirit of Adding the Speed of the 80's to the Chollima!" -- this is the militant slogan put forth by the plenary meeting.

The party's slogan contains the will to register upsurges again in the revolution and construction, just as we built a country of socialist industry on the ashes of war by effecting the Chollima upsurge under the leadership of the great leader Comrade Kim Il-song, and to turn our country into a wealthier and more prosperous socialist power by consolidating the results of the visit of the respected leader to foreign countries.



The slogan reflects the demand to develop our revolution and the aspiration of the people. We should wage an advance movement by the whole party and all the people for new and great upsurges, upholding the party's militant slogans.

The spirit we should demonstrate in today's advance is the revolutionary spirit of self-reliance for arduous struggle. Self-reliance is our party's traditional slogan which we consistently adhered to in the course of the long, arduous revolution. Only when we carry out socialist construction by waging arduous struggle based on the principle of self-reliance and depending upon the strength and resources of our own people can the nation and people achieve greater prosperity.

Today we are building socialism under the most advantageous conditions ever since the war. Our spirit and way of struggle, however, should not change. We should inherit and embody the spirit of the great Chollima upsurges in the postwar era in conformity with the mission of today's struggle and practical conditions.

We cannot but bear heavy burdens continuously because we are building socialism while the nation is divided. We should advance the revolution by more highly demonstrating the revolutionary spirit of self-reliance for arduous struggle and open a new aspect in socialist construction by waging aggressive and devoted struggle.

All party members and workers should effect a new, great revolutionary upsurge with the same spirit and vigor that created the miracles that surprised the people by devotedly implementing the demand of the party and revolution even in the difficult conditions of the postwar days.

We should make the drum of the revolution resound loudly on all fronts of socialist construction and encourage the people to create heroic exploits constantly. Rich resources are buried underground in our country. We should develop the economy and promote the people's standard of living by actively developing and utilizing these unlimited natural resources. We should direct the strength of the entire party and the whole nation to Komdok, Musan, and Anju, firmly grasping them, and make a breakthrough for a new great upswing. Self-reliance necessitates strengthening economic cooperation and technical exchanges with other countries. Based on the achievements of the great leader Comrade Kim Il-song during his visit to foreign countries, we should expand and develop friendly relations and exchanges with socialist countries in all domains. All domains of the national economy should actively develop what we have while actively waging the work to learn and accept advanced technology and the experiences of other countries. Thus, we should rapidly develop the economy and enhance the level of technology and equipment.

Our struggle has become more rewarding and more sacred. A bright future is before us. Our people's victory is ensured in the struggle for a new upsurge in socialist construction because the great leader Comrade Kim Il-song brightly indicates the road and is leading us and because dear Comrade Kim Il-song is widely guiding us. Let us all advance by registering great successes in implementing the decisions of the ninth plenum of the sixth party Central Committee in firm unity around the party and the leader, cherishing deep confidence and profound ambition.

#### MASS RALLIES ENCOURAGE ADHERENCE TO 'TEACHINGS'

SK211132 Pyongyang Domestic Service in Korean 0400 GMT 21 Jul 84

[Text] Mass rallies were held in Chongjin, Sariwon, Haeju, and Sinuiju to implement thoroughly the great leader Comrade Kim Il-song's teachings at the Ninth Plenary Meeting of the Sixth WPK Central Committee and its decisions.

The great leader Comrade Kim Il-song has taught: An ethos in which the party's decisions and instructions should be unconditionally accepted and thoroughly implemented should be established in the entire party and a revolutionary discipline in which the entire party moves as one should be strengthened.

Mass rallies were held in Chongjin, Sariwon, and Haeju on 18 July and in Sinuiju on 19 July while the people across the country were unanimously turning out in the struggle to implement thoroughly the great leader's teachings at the Ninth Plenum of the Sixth WPK Central Committee and its decisions.

Portraits of the great leader of our party and people Comrade Kim Il-song were placed at the rally sites. Seen there were the slogans: "Long Live the Great Leader Comrade Kim Il-song!" and "Long Live the Glorious WPK!" Also seen at the rally sites were the slogans: "Long Live the Unity and Cohesion of the Entire Party and all the People on the Basis of the Great Leader Comrade Kim Il-song's Chuche Idea!", "Let Us Struggle to Implement the Decisions of the Ninth Plenary Meeting of the Sixth Party Central Committee," "Let Us Advance Toward a New Victory, Following the Party's Guidance," "Ideology, Technology, and Culture -- All in Accordance with the Demand of the Chuche Idea," "Production, Study, and Life -- All in Manner of the Anti-Japanese Guerrillas," "Let Us Rush Toward the Creation of the Speed of the 80's" and "Let Us Strengthen Friendship and Unity with the Fraternal Socialist Countries." Also picture boards were placed at the rally sites. The rallies began with the chorus of the song "General Kim Il-song." Resolutions were adopted at the rallies.

Attending the Chongjin rally were comrade Kang Hui-wong, alternate member of the Political Bureau of the WPK Central Committee and responsible secretary of the Chongjin municipal party committee; responsible functionaries of local party committees, power organs, economic, organs, and workers' organizations; and workers, youths, and students in the city.

Comrade Kang Hui-wong gave a report at the rally and, then, Hang Tong-chol, first assistant chief engineer of the Musan mine; Chu Chun-sok, chief of a rolled sub-plant of the Kim Chaek iron works; Kim Yong-pok, director of the management council of the Ilyang cooperative farm in Kyongsong County; Kim Chi-sop, director of the 28 May metal research office; and Yim Chang-chong, chairman of the LSWYK Chongjin municipal committee delivered speeches.

The reporter and speakers noted: The recent ninth plenum of the sixth party Central Committee summed up with great pride the results of the visit to the Soviet Union and European socialist countries by the DPRK party and state delegation led by the great leader Comrade Kim Il-song and ardently supported and approved the great success of its visit.

They further noted: Setting forth the task of effecting a new upsurge in further consolidating the success of the respected and beloved leader's historic visit to foreign countries, in implementing our party's foreign policy, and in building socialism, the plenum was an epochal event in promoting our revolution and the cause of national reunification.

The reporter and speakers went on to say: The most important task assigned to us today is to make the success of the great leader Comrade Kim Il-song's historic visit to foreign countries shine more with a great revolutionary upsurge in all fields of the national economy.

They stressed: The party members and workers of the city should continually and thoroughly implement the tasks put forward by the dear Comrade Kim Il-song through his working guidance to Chongjin last May.

The reporter and speakers said: Firm priority should be given to stripping at the Musan mine, which was chosen as one of the important breakthroughs at the plenary meeting; the work of repairing and maintaining prospecting, delivery, and mining equipment should be planned and coordinated to increase the rate of its utilization to the maximum; and the production of ore concentrate should be decisively increased through the vigorous support of the whole city.

They also stressed: Enterprise management should be improved and the work of supplying materials and fuel should be conducted well at the Kim Chaek iron works in order to increase the production of steel products by operating the existing production facilities at full capacity. Also, construction to enhance the degree of self-reliance of the metallurgical industry should be accelerated further. Along with this, the struggle to modernize further the 10 May plant, the Chongjin shipyard, and other plants and enterprises as demanded by the party's policy and to normalize production there on a high level should be staged powerfully.

The reporter and speakers said: The supply of maritime products, edible oil, bean curd, and other side dishes to improve the people's standard of living further should be constantly increased. Great efforts should be concentrated on housing construction in Namchongjin and Musan, thus building more modern houses.

They emphasized: Cherishing deeply in their hearts the great glory and excitement of greeting on that day the great leader who returned home after attaining great success during his foreign trip, the workers of the city should brilliantly implement the decisions of the ninth plenary meeting of the sixth party Central Committee.

Attending the Sarinwon rally were Choe Mun-son, responsible secretary of the WPK North Hwanghae Provincial Committee; responsible functionaries of the local party committees, power organs, economic organs, and the workers' organizations; and workers, youths, and students.

Responsible secretary Choe Mun-son gave a report and then, Choe Sun-hong, manager of the Sariwon coal mine; Kim Ung-chon, chairman of the management council of the Mangum cooperative farm in Sariwon; Yi Kwang-il, chairman of the LSWYK North Hwanghae provincial committee, Yi Yun-chung, deputy dean of Sariwon Agricultural College; and Yi Ung-nim, director general of the local construction materials bureau of the province, delivered speeches.

The reporter and speakers noted: As unanimously stressed at the ninth plenary meeting of the sixth party Central Committee, the visit to the Soviet Union and European socialist countries, which the great leader Comrade Kim Il-song made amid the warm wishes of our party members and people and the deep attention of the world's people, was a historic event which added immortal achievements to the development of our revolution and to the world's revolution.

They said: The visit to the Soviet Union and European countries by the great leader Comrade Kim Il-song demonstrated strikingly the respected and beloved leader's absolute authority in the world and clearly confirmed the justness and vitality of the diplomatic lines and foreign policy to which our party has consistently adhered.

The reporter and speakers said: Endlessly encouraged by the success of the great leader's foreign trip, the party members and workers in the province have unanimously turned out in the struggle to strengthen the country's political and economic might in an all-round way by more powerfully advancing at the "speed of the eighties" in addition to Chollima under the banner of the three revolutions, upholding the respected and beloved leader's teachings at the plenum and its decisions.



They further said: Under the wise leadership of the great leader and the glorious party center, we will rapidly complete the construction of the wire materials rolling mill at the Hwanghae iron complex, further strengthen the self-reliant basis of metallurgical industry by technically remodeling metallurgical equipment, and effect a new upsurge in the production of steel product, cement, and plant facilities by expanding the capacities of the 8 February cement plant and machine plants.

They also stressed that production of coal, nonferrous metals, and nonmetallic minerals should be further increased by actively introducing mechanization at all mines and collieries in the province, that Sariwon should be more beautifully built into a modern port and canal city, and that good quality mass consumer goods should be produced in greater quantities by fully operating all light industry plants.

They pointed out that the agricultural workers in the province will effect new innovations in producing grains, vegetables, fruit, meat, eggs, and other industrial crops by thoroughly implementing the chuche-type farm method, thereby actively contributing to meeting the target of 10 million tons of grains and to improving the people's living standard.

The Haeju city mass rally was attended by Paek Pom-su, responsible secretary of South Hwanghae Provincial Committee of the WPK; responsible functionaries of local party, government, and economic organs; and responsible functionaries of local public organizations, along with working people, youths, and students of the city.

At the rally, following a report by responsible Secretary Paek Pom-su, Han Song-kuk, chief engineer of the Haeju cement plant; Choe Chung-song, chairman of the management committee of Sokchon cooperative farm in Haeju city; Choe Pong-man, chairman of the South Hwanghae Provincial LSWYK Committee; and Kim Chin-ho, director of the Faculty Department of Haeju Agricultural College, participated in discussions.

The reporter and the participants in the discussions said that all party members and working people in the province are now pervaded with infinite gratitude and joy to receive the news on the ninth plenum of the sixth party Central Committee and that they are seething with the firm determination to make a new leap in socialist economic construction by thoroughly implementing the great leader's teachings at the plenum and the party policies.

They said that the great leader Comrade Kim Il-song's visit to the Soviet Union and European socialist countries brought not only exciting days which clearly proved the greatness of the respected and beloved leader and his high international dignity and prestige, but also proud days which vigorously demonstrated the unity and solidarity of socialist countries and the international communist movement.

The reporter and the participants in discussions said that in order to further glorify the valuable success attained by the great leader during his historic visit to these foreign countries this time, a new upsurge should be effected in all fields of the revolution and construction. Then, they presented various tasks for this.

They said that the working class in the province will brilliantly fulfill this year's plan and the Second 7-Year Plan by effecting a new upsurge in the production of iron ore, machines, and mass consumer goods. They also stressed that the agricultural workers in the province will make this year -- a significant year marking the 20th anniversary of the announcement of the socialist rural thesis -- another bumper year by properly carrying out all farm work in conformity with the demands of the chuche-oriented farm method and in a scientific and technological way, while cherishing their burning loyalty to the leader and the party.

They stressed that the agricultural workers in the province should vigorously carry out watering work for rice paddies and riparian improvement work as well as the struggle to prevent grains from blight and insect damage and that they should produce more good quality humus, organic fertilizer, and compost which will be used in next year's farm work.

The reporter and those who participated in discussions said that they will brilliantly implement the decisions of the historic party plenum by effecting new great upsurges in all fronts of socialist construction with the spirit of adding the "speed of the eighties" to Chollima.

The Sinuiju mass rally was attended by Kim Pyong-yul, responsible secretary of North Pyongan Provincial Committee of the WPK; responsible functionaries of local party, government, and economic organs; and responsible functionaries of local public organizations along with working people, youths, and students of the city.

At the mass rally, following a report by responsible secretary Kim Pyong-yul, Cho Tok-yong, manager of the oxygen separator workshop at Nagwon machine plant; Yi Kum-yo, chairman of the management committee of Sinuiju cooperative farm; Chang Il-son, chairman of North Pyongan Provincial LSWYK Committee; Cho Kil-won, assistant dean of Sinuiju Medical College; and assistant chief engineer at Sinuiju urban construction station participated in discussions.

The reporter and the participants in discussions said that the ninth plenum of the sixth party Central Committee -- which was held at a time when the people's burning respect for and reverence of the great leader Comrade Kim Il-song who produced brilliant achievements in his visit to the Soviet Union and European socialist countries and the people's infinite trust in the glorious party center which is victoriously carrying out the party foreign policy line are overflowing -- was a historic meeting of great significance in accelerating our revolutionary cause and the country's reunification cause and in implementing our party's foreign policy.

They said that the respected and beloved leader's visit to the Soviet Union and European socialist countries greatly contributed to proving the superiority of socialism and its vitality, to vigorously demonstrating the unity and solidarity of socialist countries and the international communist movement, to checking and frustrating the imperialists' policy of aggression and war, and to defending peace in Asia and Europe.

Saying that all party members and working people in the province are seething with firm determination to effect great upsurges in socialist economic construction by holding aloft the decisions of the ninth plenum of the sixth party Central Committee, the reporter and the participants in discussions pointed out that all people in the province are registering new revolutionary successes in production and construction by actively finding and mobilizing inner reserves and by displaying the revolutionary spirit of self-reliance and fortitude.

In particular, they stressed that the people in the province should further develop all fields of the national economy, including mining industry, machine industry, chemical industry, light industry, and agriculture by vigorously carrying out the struggle to implement the great leader's teachings at his on-the-spot guidance to North Pyongyang Province and the party Central Committee's letter to all party members. They stressed that all working people should actively contribute to expediting the revolutionary cause of chuche pioneered in the Paektu forests by further accelerating the revolution and construction, while cherishing deep in their hearts the great pride and honor of upholding as their leader the great Comrade Kim Il-song, who enjoys boundless respect and reverence from the people of the world, and of vigorously advancing along the leadership of the glorious party.

KIM CHONG-IL PRAISED FOR BEAUTIFICATION WORK

SK221138 Pyongyang Domestic Service in Korean 0000 GMT 21 Jul 84

[Unattributed talk: "In an Attempt to Make Glorious Revolutionary Traditions Glow for Generations to Come" from the "Brilliant Guidance and Immortal Accomplishments" feature program]

[Text] The revolutionary tradition founded by the leader of the working class is the cornerstone to inheriting and completing the cause of the revolution pioneered by the leader, and a noble asset. The cause of the revolution pioneered by the leader victoriously advances and is brought to completion with the revolutionary tradition founded by the leader as its root and example. Therefore, the inheritor who is endlessly loyal to the leader and to his cause of revolution always takes defending and adhering to the revolutionary tradition established by the leader and inheriting it gloriously as one of his important missions, and realizes it in carrying out the revolution.

Dear Comrade Kim Chong-il, who is gloriously inheriting the cause of the revolution of the great leader, is putting forward outstanding ideology and theory on resolutely defending and inheriting the immortal revolutionary tradition established by the leader, and is realizing it gloriously. The great leader Comrade Kim Il-song has taught: The struggle to inherit and develop the revolutionary tradition of our party is the struggle to defend the *chuche* idea resolutely and realize it to the end, and a struggle to adhere firmly to, expand, and develop continuously our party's revolutionary achievements.

Our party's glorious revolutionary tradition established by the great leader in the flame of the anti-Japanese revolutionary struggle comprehensively embodies the immortal *chuche* idea, the theory and method on revolution and construction set forth based on *chuche*, and the scientific method of struggle. This glorious revolutionary tradition also contains a noble communist revolutionary spirit, including endless loyalty to the great leader, noble revolutionary achievements, abundant experience of struggle, and other noble ideological and spiritual assets, and abundant experiences that are examples and models in the struggle to realize the cause of the *chuche* revolution. Therefore, our people should resolutely defend and adhere to this valuable revolutionary tradition and inherit it gloriously so that they can continuously uphold the banner of the *chuche* idea and firmly inherit the life of the revolution.

The immortal revolutionary tradition established by the great leader is gloriously inherited and developed by the wise leadership of dear Comrade Kim Chong-il today and because of its valuable assets, the cause of modeling the whole society on the *chuche* idea is accelerating more quickly.

Comrade Kim Chong-il, who always takes deep interest in indoctrination work on the revolutionary tradition for our party members and workers, has given detailed guidance on better maintaining revolutionary historical sites and revolutionary battle sites all over the country, such as Mangyongdae, the cradle of the revolution; Pochonbo; Samjiyon; Wangjesan; and Popyong. Because of his wise leadership, Samjiyon and its vicinity, which bears the great leader's sacred footprints, is maintained beautifully with long-lasting monuments without equal in scale and quality.

It was early July 1976. Dear Comrade Comrade Kim Il-song deeply grasped the geographical features and the prospects of the construction in Samjiyon and its vicinity, and taught sagaciously on building the statue of the leader in the best place at the great leader's immortal revolutionary historical site, and the basic principles that must be adhered to in construction of revolutionary battle sites and revolutionary historical sites.



Comrade Kim Chong-il also gave detailed instructions on building a number of group statues including some showing the members of the Korean People's Revolutionary Army taking a rest beside Samjiyon Lake with the great leader on the historical day of the march of the fatherland, and other matters such as beautifying the environment of the shores of Samjiyon Lake, centering on the building site for the statue of the great leader.

Dear Comrade Kim Chong-il took all the necessary steps to beautify Samjiyon as a home base for indoctrination of the revolutionary tradition while taking care not to damage a single blade of grass or a tree, and to pass it on to coming generations.

Comrade Kim Chong-il made available a strong construction group for the construction of revolutionary battle sites, grasped the plan to form the Samjiyon revolutionary battle site as well as its bird's eye view, and put forward an outstanding policy on building a great monument that has no equal in scale, theme, and ideological content. While construction was under way, even when it was nearing completion, he grasped the status of the construction specifically, corrected faulty points, and solved the problems in a timely manner.

Comrade Kim Chong-il grasped specifically the food supply, clothing, and shoes of the constructors of Samjiyon revolutionary battle site, and gave every consideration to make sure that they did not have any inconvenience in their work and lives.

Dear Comrade Kim Chong-il let a plane of love fly over the sky of (Yichon), sending the constructors of the revolutionary battle sites fresh fruits and vegetables grown in (Wonsu), and gave benevolent considerations to them, such as sending them various musical instruments and cultural appliances.

The constructors of the Samjiyon revolutionary battle site, who cherished deep in their hearts the grand will and boundless love of Comrade Kim Chong-il, vigorously accelerated the construction of the great monument with high spirits and morale. The construction of the great Samjiyon monument was gloriously completed in little more than 2 years with the effort of the constructors burning with loyalty and with the warm support of all the people.

Dear Comrade Kim Chong-il made a personal visit to the Samjiyon revolutionary battle site, which was completed excellently in such a short period of time, and valued the functionaries and constructors there highly. Samjiyon, the sacred revolutionary site, was brilliantly completed as a grand open air museum for the indoctrination of the revolutionary tradition, thanks to Dear Comrade Kim Chong-il's energetic guidance and meticulous care.

However, this is only one of a number of examples of the long-lasting great monuments built by Comrade Kim Chong-il among the revolutionary battle sites which accommodate the great leader's glorious revolutionary history and immortal revolutionary achievements. Dear Comrade Kim Chong-il's noble will dwells warmly at every revolutionary historical site and revolutionary battle site all over the country where there are the great leader's glorious revolutionary history and immortal achievements of struggle.

In the case of the Wangjesan revolutionary historical site, for example, everything -- from the plan of forming the great monument to the creation of the form of each monument -- was brilliantly completed only by his wise leadership and consideration. At that time, the planners and the creators were at a loss to know what plan and layout would be appropriate for the great monument, spending their days impatiently.

At such a time, Comrade Kim Chong-il, with his extraordinary wisdom, gave clear answers to all basic problems, setting the guiding policies in the construction of the great monument for the indoctrination of the revolutionary tradition, including the fact that all monuments should be constructed so as to make the great leader's statue stand out, how the group statues and carvings in relief should be made, and their forms and shades.

He also grasped the statues of the construction a number of times, solved many problems that arose, and warmly encouraged the constructors so that they all were deeply aware of the honorable duty assigned to them and can do the work better.

Because of the wise leadership and meticulous care of the dear Comrade Kim Chong-il, the Wangjesan revolutionary historical site was completed brilliantly. Because of wise leadership and great consideration, the revolutionary battle sites and revolutionary historical sites where the great leader's immortal revolutionary achievements dwell will shine brightly for generations to come, contributing excellently to the ideological indoctrination of our people.

#### BRIEFS

JAPANESE SCHOLARS GROUP -- Pyongyang July 20 (KCNA) -- The delegation of the Grand People's Study House headed by its President Chon Chu-nam which had visited the Soviet Union and the delegation of the Pyongyang Municipal Committee of the General Federation of Trade Unions of Korea headed by its Chairman Yi Chu-hyon which had visited China returned home on July 20. A scholars delegation of Okinawa University, Japan, headed by Prof. Seiichi Sakugawa, researcher of the International Institute of the Chuche Idea, and Yunis Ziyadeh, Jordanian delegate for the study of the chuche idea, arrived in Pyongyang today. Also arriving here today was M.Y. Wazirzada, representative of the Office of the Asia and Pacific region of the International Civil Aviation Organisation. The Zimbabwean National Dance Company left here today for home. [Text] [Pyongyang KCNA in English 1009 GMT 20 Jul 84 SK]

PRC ART ENSEMBLE LEAVES -- Pyongyang July 23 (KCNA) -- The Liaoning, China, song and dance ensemble headed by Zhang Zhiyuan, vice-governor of the Liaoning Provincial People's Government of China, left Sinuiju on July 22 for home by train. It was warmly seen off at Sinuiju railway station by Han Ryong-sok, secretary of the North Pyongan Provincial Committee of the Workers' Party of Korea, Kim Chang-yong, vice-chairman of the North Pyongan Provincial People's Committee, personages concerned and a large number of working people, artists and students and children in the city. [Text] [Pyongyang KCNA in English 0340 GMT 23 Jul 84 SK]

RECEPTION FOR MAC MEMBERS -- Pyongyang July 18 (KCNA) -- Major General Yi Tae-ho, senior member of our side to the Military Armistice Commission, hosted a reception on the evening of July 16 in honor of Major General Peter Niederberger, outgoing Swiss member to the Neutral Nations Supervisory Commission, and Major General Pierre Jordan, newly-appointed Swiss member to the commission. Invited to the reception together with Swiss members were Wang Jian, member of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission, officials of the CPV Liaison Office, and Polish, Czechoslovak and Swedish members and officials to the Neutral Nations Supervisory Commission. Speeches were made at the reception which proceeded in a friendly atmosphere. [Text] [Pyongyang KCNA in English 0413 GMT 18 Jul 84 SK]

U.S. FINDS MANY FORGED IMMIGRATION APPLICATIONS

SK240631 Seoul YONHAP in English 0545 GMT 24 Jul 84

[Text] Seoul, July 24 (YONHAP) -- A top official at the U.S. Embassy here said Tuesday that there are many forged documents among the immigration visa applications filed by South Koreans. Andrew Antippas, consul general of the U.S. Embassy in Seoul, said in an interview with YONHAP that 70 percent to 80 percent of the application forms documented by visa brokers and travel agencies are counterfeits. He said such forged documents are also found in the Philippines, Hong Kong, and Thailand. National police authorities here, however, said they know nothing about the forgeries. Last year, the U.S. Embassy issued immigration visas to 28,000 of the 36,000 Korean applicants, Antippas said.

NORTH SAID TO SEND TEAM TO SEOUL OLYMPIC GAMES

SK240039 Seoul THE KOREA HERALD in English 24 Jul 84 p 1

[Text] Los Angeles (KYODO-YONHAP) -- A ranking north Korean sports official has told the South Korean Olympic Committee official that North Korean athletic team would be in Seoul for the 1988 Olympic Games, Choe Man-nip, secretary general of the Korean Olympic Committee, was quoted as saying over the weekend by the KYODO NEWS AGENCY. North Korea and other Soviet-block countries earlier hinted that they would not participate in the Seoul Olympics after boycotting the Los Angeles Olympics.

When asked to comment on North Korea's possible participation in the Seoul Games in a private meeting, Kim Tuk-chun, vice chairman of the North Korean Olympic Committee answered "yes," Choe disclosed. Many diplomatic observers here discounted it as "simple diplomatic gesture" and attached little meaning to Kim's remark.

Official Denounces 1988 Games

SK231244 Seoul KYONGHYANG SINMUN in Korean 23 Jul 84 p 8

[Text] Kim Tuk-chun, vice chairman of the North Korean Committee for Physical Education Guidance, said on 23 July "It is wrong to hold the 1988 Olympics in South Korea," making absurd remarks that "the forthcoming IOC general meeting will revoke South Korea as the game host."

Kim Tuk-chun, who arrived in Los Angeles on 21 July with 10 other members of the entourage accompanying Kim Yu-sun, the North Korean member of the IOC, met with a reporter on that day with 3 other members of the entourage while they were having breakfast. To the question posed by the reporter asking the reason why North Korea is not participating in the Los Angeles Olympics, Kim said: It is because South Korea opposed the formation of a single team. This was a remark that sidestepped the question asked. To the question of whether North Korea would come to Seoul to participate in the 1988 Olympics, he said: We will have to think it over.

DEPUTY DEFENSE MINISTER ARRIVES IN SAUDI ARABIA

LD212128 Riyadh SPA in English 1250 GMT 21 Jul 84

[Text] Riyadh, July 21, SPA -- South Korean Deputy Defence Minister Kwong Yong-gack and accompanying delegation arrived here today on a several days visit to Saudi Arabia. They were greeted by Deputy Defence and Aviation Minister for Military Affairs 'Uthman al-Humayd and other high ranking military officials.



FISHING BOAT RELEASED BY MAURITANIA 18 JUL

SK240757 Seoul YONHAP in English 0744 GMT 24 Jul 84

[Text] Seoul, July 24 (YONHAP) -- Twenty-eight South Korean crew members were released from Mauritanian authorities July 18, eight days after a South Korean fishing boat was seized by Mauritanian patrol vessels in territorial waters of the West African country, a report from Mauritania to the South Korean Foreign Ministry said Tuesday. The 325-ton squid trawler "Younessnajib" of the nation's state fishery company with 28 crew members aboard was taken to the African nation's northern port city of Nouadhibou July 10 on charges of violating the nation's territorial waters. The fishing boat reportedly violated the territorial waters off Mauritania while heading for Morocco's southern fishing banks in the North Atlantic Ocean. All crew members are in good physical condition and are expected to return home this week, minister officials said.

Mauritania is bordered on the north by Morocco. The boat has been in operations off Morocco by permission of the Moroccan Government since June 5 when it left the Moroccan port city of Las Palmas. However, the company had no contract with Mauritania for deep-sea fishery. Company President Pak Kwan-kyun left here mid-July for the African country to negotiate with Mauritanian authorities for the release of the crew members including Skipper Chon Pan-kon, 29. The company runs seven pelagic fishing vessels including the "Younessnajib." Five boats are deep-sea fishing off Las Palmas and two others off Colombia.

INCREASED OFFERS FOR BARTER TRADE RECEIVED

SK210758 Seoul YONHAP in English 0750 GMT 21 Jul 84

[Text] Seoul, July 21 (YONHAP) -- An increasing number of foreign countries this year have offered to exchange their primary products for South Korean manufactured goods, a government-sponsored trade organization said Saturday. During the first half of 1984, the Korea Trade Promotion Corp. (Kotra) received 24 proposals to barter from 18 countries, up from the 15 proposals made by 10 nations during the same period last year, Kotra officials said.

Southeast Asian and African countries are offering the idea to solve their chronic shortage of foreign exchange, while other nations like Greece and Turkey are simply seeking new markets for their products through countertrade, the officials said. The countries seem to propose bartering with South Korea since they think it's almost impossible to sell their products through the established means of trade because of current sluggish demand in the international market, they said. The items the countries proposed for barter trade with South Korea are mostly primary products or first-hand processed agricultural, fishery or mineral goods, they added. The Philippines, for example, proposed to barter its natural rubber for Korean-made tire beads, while Ecuador wants to exchange white fish for Korean tires. Brazil offered to trade its raw aluminium ore for Korean-made electronics products, the officials said. Of the 18 proposals, six are about to be concluded and five others are under negotiation, they said. Also included among the countries that proposed barter trade with South Korea are Burma, Mexico, Paraguay, Syria and Guinea, they said.

Local corporations are studying the possibility of establishing a barter system with the countries taking into full account the conditions in the domestic market, they said. They pointed out that steel products, raw cotton and some other primary goods proposed for barter trade are being delivered to the nation under long-term supply contracts it signed with foreign countries.

CHAN SI WINDS UP VISIT TO SOVIET UNION

## Soviet Official's Comments

BK231029 Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Jul 84

[Text] A press conference was organized on 17 July at the press center of the Soviet Foreign Ministry. Talking to reporters, Comrade (Vladimir Lomikov), first deputy head of the Press Department, said the participants of the talks between the Soviet Union and Kampuchea discussed in detail ways to deepen bilateral cooperation, including problems relating to the construction of industrial buildings and to the fields of energy, transportation, and agriculture. Comrade (Lomikov) went on to say that the Soviet Union fully agreed with the constructive stand and peace initiatives of the three Indochinese countries.

The Soviet Union has provided assistance to Kampuchea so it can restore and expand its economy and restore the national culture and social structures. It has also fully supported the Kampuchean people's struggle to defend their revolutionary gains and against outside interference. Furthermore, the Soviet Union will consistently strive to have the PRK occupy its legal seat in the United Nations and other international organizations.

## Tours Dushambe, Departs USSR

BK231208 Phnom Penh SPK in English 1120 GMT 23 Jul 84

[Text] Phnom Penh SPK July 23 -- Kampuchean Premier Chan Si last Sunday left Dushambe, capital of the Soviet Socialist Republic of Tajikistan, ending his five days' [visit] to the Soviet Union, according to an SPK correspondent accompanying the premier. Monday, the premier made a brief stopover in Moscow on his way to Sofia, Bulgaria. During their stay in Tajikistan, Premier Chan Si and his party met with Tajik Premier K. Makhkamov. The two sides informed each other of the situations in their countries. The Kampuchean leader strongly condemned the Chinese-manipulated genocidal Pol Pot clique for destroying the foundation of the national economy. He thanked the CPSU and the government and the people of the USSR for their effective aid to Kampuchea's economic development.

## SPK on Communique

BK230612 Phnom Penh SPK in French 0405 GMT 23 Jul 84

["A New Stage in Kampuchean-USSR Friendship" -- SPK headline]

[Text] Phnom Penh, 23 Jul (SPK) -- The visit to the USSR by Chan Si, member of the KPRP Central Committee Political Bureau and chairman of the PRK Council of Ministers, was crowned with brilliant successes and reflects a new stage in the strengthening of friendship and cooperation on the basis of the unswerving principles of Marxism-Leninism and proletarian internationalism in conformity with the interests of the two peoples. The Kampuchean-USSR communique issued on this occasion fully reflects these successes.

The cordial and warm welcome reserved everywhere for the Kampuchean guests confirms the Soviet people's feelings of solidarity toward their Kampuchean brothers and their desire to develop relations between the two countries according to the spirit of the 5 February 1980 Kampuchean-USSR declaration.

An agreement signed on the establishment of a Kampuchean-USSR intergovernmental commission in charge of trade, economic, scientific, and technical cooperation crowned this visit. Through that, the two governments expressed their determination to cooperate in promoting the economy of the PRK and raising the living standards of the Kampucheans.

This bilateral economic cooperation agreement for 1986-1990 is added to the disinterested and multifaceted aid that the USSR has given Kampuchea since the historic victory of 7 January 1979 over the bloodthirsty Pol Pot-Ieng Sary-Khieu Samphan regime, which bled Kampuchea white under its rule.

The Kampuchean people express their wish to see the all-round fruitful cooperation between the two countries further develop, and highly appreciate the aid and support accorded by the USSR in the construction of a new life and the safeguarding of the revolutionary gains.

The KPRP and the Kampuchean Government and people would like to express their unreserved support for the peaceful and constructive proposals formulated in the statements and speeches of Konstantin Chernenko, CPSU Central Committee general secretary and USSR Supreme Soviet president, and the initiatives and measures taken by the Warsaw Treaty countries in order to ward off the danger of a nuclear war and to strengthen their defense and security in the face of the maneuvers of U.S. imperialism and other reactionary forces. They also appreciate the proposals of the Soviet Government concerning the negotiations with the United States on nonmilitarization of outer space.

The Kampuchean people are firmly determined to preserve their solidarity with the great Soviet people which, together with the Kampuchean-Vietnamese-Lao solidarity, constitutes a decisive factor for the victory of the Kampuchean revolution in spite of all the manoeuvres of the Beijing hegemonists-expansionists in collusion with the U.S. imperialists and other forces of international reaction.

#### FRENCH NATIONAL ASSEMBLY DELEGATION PAYS VISIT

BK201522 Phnom Penh SPK in English 1124 GMT 20 Jul 84

[Text] Phnom Penh SPK July 20 -- A delegation of the French National Assembly arrived in Phnom Penh Friday for a visit at the invitation of the secretary-general of the National Assembly of the People's Republic of Kampuchea. The seven member delegation belongs to the study group on Kampuchean problems. It is led by Robert Montdargent, vice president of the Commission for External Relations.

The other members are T. Vial-Massat, deputy of Loire (PFC [French Communist Party]); Jean Desanlis, deputy of Loire-et-Cher (UDF [Union for French Democracy]); Xavier Deniau, deputy of Loiret (RPR [Rally for the Republic]); Louis Moulinet, deputy of Paris (PS [Socialist Party]); Jean Valroff, deputy of Vosges (PS); and C. Lebedel, administrative chief.

The delegation was met by a reception committee led by My Samedi, secretary-general a.i. of the P.R.K. National Assembly.

#### Meeting With Hun Sen

BK220806 Phnom Penh SPK in French 0425 GMT 22 Jul 84

[Text] Phnom Penh, 22 Jul (SPK) -- Hun Sen, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of foreign affairs, received on Saturday afternoon in Phnom Penh a visiting delegation of the French Parliament led by Robert Montdargent, vice president of the Foreign Relations Commission.

On that occasion, Vice Chairman Hun Sen told his guests about Kampuchea's all-sided development during the past 5 years and pointed out the difficulties left by the bloody Pol Pot-Ieng Sary-Khieu Samphan regime. He exposed the perfidious maneuver carried out by China, in collusion with U.S. imperialists and other reactionaries, against the Kampuchean revolution and Southeast Asia.



The PRK, like Vietnam and Laos, wishes to see durable peace and stability reign in Southeast Asia, stressed Hun Sen who recalled the goodwill and constructive proposals put forward by the three Indochinese countries at the conference of their foreign ministers. These proposals contributed perfectly to establishing peace and stability in the whole of Southeast Asia. He thanked non-governmental French organizations for their precious assistance to Kampuchea in safeguarding the life and health of the people and even in rebuilding the country.

For his part, the head of the French parliamentary delegation deeply thanked the Kampuchean party for its warm welcome and pointed out the importance of the visit for relations between the two parliaments of Kampuchea and France. My Samedi, acting general secretary of the assembly, and many Kampuchean assembly members attended the meeting.

The two sides were satisfied with their discussions concerning relations between the two parliaments, especially in the fields of culture and health. On the same day, the delegation visited the Cheung Ek mass graves in Kandal, the Tuol Sleng Museum of Genocide, and an exhibition of political achievements in Phnom Penh.

#### AFP on Details of Meeting

BK230947 Hong Kong AFP in English 0611 GMT 23 Jul 84

[Text] Phnom Penh, July 23 (AFP) -- Cambodian soldiers played a greater role alongside Vietnamese troops in the recent dry season offensive against Khmer resistance forces, Foreign Minister Hun Sen has confirmed. Mr Hun Sen was speaking to a visiting delegation of French National Assembly members when they met here on Saturday. The delegation, headed by Robert Montdargent, is the first from the French parliament to come here since 1975. Mr Montdargent said the foreign minister told him that Cambodia's aim was to replace the Vietnamese with Cambodian troops in five to seven years. The Cambodian Army has around 35,000 men. Vietnam has an estimated 150,000-170,000 troops stationed in Cambodia.

Mr Hun Sen emphasised the importance of strengthening Cambodian security and underlined the economic problems the country was still facing. He maintained that Cambodia no longer had a food shortage since the 1983 harvest was satisfactory -- more than one million tons of rice -- and the 1984 harvest looked promising, said Mr Montdargent. But observers recalled that the government had said early this year that Cambodia had a 300,000 ton rice shortfall for 1983. A food and agriculture organisation report in March put Cambodia's needs at 177,000 tons.

Mr Hun Sen told the delegation that his country was facing a precarious health situation. He hoped that France would increase humanitarian aid, undertake training programmes or provide equipment.

Mr Montdargent said Mr Hun Sen told him that Cambodia will open an information office in Paris in the coming months to put across the views of the pro-Vietnamese government. He welcomed France's decision to abstain from voting at the United Nations in favour of the "Kampuchean Democratic Republic," led by Prince Norodom Sihanouk, head of the Khmer opposition coalition which groups, besides his 5,000 followers, 12,000 men of the nationalist leader Son Sann and 30,000 pro-Chinese Khmer Rouge. France does not recognise the People's Republic of Kampuchea of President Heng Samrin either.

The French delegation arrived here Friday from Ho Chi Minh City, Vietnam, on a six-day visit. The delegation was to go to Kompong Som port (former Sihanoukville) yesterday and the Angkor temples today before meeting President Heng Samrin tomorrow. Delegation members all belong to the Cambodian Question Study Group which was created within the National Assembly in 1982.



FORCES BATTLE POL POT 'BANDITS' IN KAMPOT

BK210738 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Jul 84

[Text] During the 1st half of 1984, security forces in Kampot Province, in close cooperation with all levels of state authorities, people, and the Vietnamese Volunteer Army, fought against the Pol Pot bandits and dealt them successive defeats, reducing their morale.

In fact, our security forces killed 211 bandits, wounded 53 others, took 16 prisoners, seized an assortment of 83 weapons, over 1,400 rounds of ammunition, 58 mines, and 3 field radios, and destroyed 17 shelters. At the same time our forces persuaded 41 misled persons to return to the fold bringing with them 9 weapons, hand grenades, and a number of mines. The Kampot Provincial Security Forces always harbor a raging hatred and are ready to launch operations to sweep up the Pol Pot, Sihanouk, and Son Sann bandits who sneak in to plunder people's property.

'Bandits' in Kratie

BK220744 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Jul 84

[Text] During the 1st half of 1984, security forces in Kratie District, in close cooperation with militiamen, the Vietnamese volunteer army, and local people, dealt successive blows to the Pol Pot bandits. They killed 33 bandits, wounded another 46, persuaded 4 to surrender, and seized a large quantity of weapons and war materiel. At the same time, they actively participated in production work with our people, assisted in house building, and produced many desks and chairs for schoolchildren.

SIX-MONTH REPORT ON 'MISLED' PEOPLE IN TAKEO

BK211328 Phnom Penh SPK in English 1141 GMT 21 Jul 84

[Text] Phnom Penh SPK July 21 -- Fifty-six misled people reported themselves to the revolutionary administration of Tram Kak District in Takeo Province in the first half of this year, bringing with them 16 guns and a quantity of ammunition. Chhang Kien, 22, native of the district, recalled the atrocities committed by the Pol Pot remnants against innocent people. He said that the happy life of the inhabitants had prompted him to return. The returnees are allowed to rejoin their families and given opportunities to make their living with assistance from the local authorities and population.

CHEA SIM'S SPEECH AT CLOSE OF MUSLIM CONFERENCE

BK230855 Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Jul 84

[Speech by Chea Sim, member of KPRP Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, at 22 July closing session of the first Khmer Muslims meeting in Phnom Penh -- recorded]

[Text] On behalf of the party, state, and front, I would like to express great satisfaction with and sincere admiration at the great awareness and patriotic conscience displayed by the hakims, tuans [Muslim honorific titles] and all Cham nationals who have actively participated in the study, discussion, and debate during the meeting to correctly and reasonably assess the revolutionary activities over the past 5 years and to put forward a new series of tasks to implement revolutionary work in the years to come and to advance toward new successes in contribution to building and defending our beloved fatherland. [applause]

This patriotic gesture reflected the strong will and rapid progress-mindedness of the hakims and tuans under our new regime. Together with clearer understanding and firmer grasp of the front's policy and the state's line regarding religions and their unbounded confidence in the revolution, the hakims and tuans also displayed their gratitude, loyalty, and sincerity toward the party, state, and front for according material and moral assistance to the Cham people, helping to raise their living standards, normalizing their lives, and liberating them from all the dangers of genocide committed by Pol Pot, Ieng Sary, and Khieu Samphan, the cheap vassals of the Beijing hegemonist-expansionists in collusion with U.S. imperialism.

The unclouded, thorough understanding of the hakims and tuans shown during this 3-day meeting will serve as a beacon lighting the path for the hakims and tuans themselves as well as for the Cham people all over the country in their efforts to safeguard their traditions and customs, to maintain the purity of the Islamic faith forever, and with the guarantee of the revolutionary administration, to meet the aspirations of the Cham nationals and to serve the interests of the national society, to obstruct all odious attempts of the enemies to use religion as a launching pad to sabotage unity among the Cham and undermine the revival of the various ethnic groups and the growth of our Kampuchean revolution.

The hakims and tuans must always maintain close contacts and cooperate with the authorities, maintain an even attitude toward both the religions and the revolutionary authorities, and heighten revolutionary vigilance to frustrate all perfidious maneuvers of the enemies such as Pol Pot-Ieng Sary-Khieu Samphan army remnants and the Sihanouk-Son Sann reactionary Khmer groups -- the zealous lackeys of the Beijing hegemonist-expansionists in collusion with U.S. imperialism and the reactionary ASEAN forces, including Thailand -- for the consolidations and perpetuation of the fatherland. [applause]

I take this opportunity to emphasize that following this meeting and after grasping the policy of the party, state, and front and the resolution of this meeting, the main role and duty of the hakims and tuans is to positively implement the findings of the meeting, widely spread them among the Cham throughout the country, and revise and amend them every year so that they can be applied properly to each local ethnic group. Therefore, the immediate as well as future revolutionary task requires that all hakims and tuans, once back in their respective hometowns, prepare active programs of action by combining what they have learned during this meeting with the prophet's teachings and explain to the people at home so that they translate the resolution of our meeting into concrete implementation everywhere so as to contribute to national construction and defense and to the peaceful revival of our Cham nationals with peace, progress, and enlightenment. [applause]

I am firmly confident in and hopeful of the revolutionary awareness and patriotism of the hakims and tuans who have wholeheartedly served the revolution with resolute determination to fight courageously under the banner of national solidarity and broad international solidarity. Under the correct and wise leadership of the KPRP, we are confident that the enemies can in no way shake or reverse the situation in Kampuchea [applause], and our new Kampuchean society will surely continue to score one new success after another in the cause of national defense and reconstruction, building the country step by step through the transitory period toward socialism. [applause]

On behalf of the presidium, I declare the meeting closed as of this moment. [applause]

AFP CITES OFFICIAL ON SEARCH FOR U.S. MIA'S

BK241040 Hong Kong AFP in English 1032 GMT 24 Jul 84

[Text] Bangkok, July 24 (AFP) -- A senior Lao official confirmed today that Laos has agreed in principle to the excavation of a site to search for the remains of up to 14 U.S. servicemen whose plane crashed there nearly 12 years ago. Souban Salitthilat, one of five Lao deputy foreign ministers, indicated Laos had responded to a request from the U.S. Government, but declined to give any further details.

President Ronald Reagan said in Washington last Friday that the Lao Government seemed to have gained a "greater understanding" of U.S. concern over the 2,489 Americans unaccounted for from the war in Indochina.

Mr Souban confirmed the agreement in principle during a news conference here called to explain the Lao position in a dispute over three hamlets along the Lao border with Thailand. He would not give details, he said, because he wanted to "focus" on the current problem with Thailand.

The crash site to be excavated lies near Pakse, in southern Laos. An AC-130 gunship crashed in the area on December 21, 1972, and the aircraft may contain the remains of as many as 14 U.S. servicemen, White House Deputy Press Secretary Larry Speakes has said.

TALKS WITH THAI SIDE 'TEMPORARILY SUSPENDED'

BK240104 Vientiane Domestic Service in Lao 0000 GMT 24 Jul 84

[Text] After its arrival in Bangkok, Thailand, a delegation of the Lao-Thai border coordination committee at the central level led by Souban Salitthilat, deputy minister of foreign affairs and vice chairman of the committee, held talks with a delegation of the Thai side on many occasions with a view to settling the problem of the Thai troops' attack on and seizure of three Lao villages -- Ban Mai, Ban Kang, and Ban Savang -- in Paklai District, Sayaboury Province, since 6 June. Through 3 days -- from 21 to 23 July 1984 -- the talks between the two sides were unsuccessful. This is because the Thai side has not shown its goodwill on the settlement of the problem.

Based on a proposal of the Thai side, the talks will be temporarily suspended and will be resumed beginning 6 August 1984. Our Lao delegation is ready to continue the talks with a view to achieving success in solving the problem of the Thai troops' occupation of the three Lao villages.

COMMENTARY REASSERTS SOVEREIGNTY OVER VILLAGES

BK240615 Vientiane Domestic Service in Lao 1400 GMT 22 Jul 84

[Unattributed commentary: "The Three Villages Are Absolutely Under Lao Sovereignty"]

[Text] When the intrusion into and occupation of the three Lao villages in Paklai District, Sayaboury Province, was reported on 6 June, public opinion was outraged.

Those who are close to the incident and fully understand its causes have affirmed that the intrusion by Thai troops constituted a covert encroachment on Lao sovereignty and was an absolutely illegal act.

Now, after several days, the clouds put up by the Thai ultrarightist reactionaries to cover up the incident in accordance with the lessons they have learned from Beijing, are beginning to disappear, exposing the truth of the incident. The director of the play has been starkly exposed from behind the scenes. After 13 days of staging the play -- called Operation Phichai Daphak -- to attack and occupy the three Lao villages with Athit Kamlang-ek as the leading man, Phaithun [Khurakeao], secretary of the Foreign Relations Committee of the Thai House of Representatives, told a correspondent of the NATION REVIEW on 19 June that the committee had no clear proof to determine whether the three villages of Ban Mai, Ban Kang, and Ban Savang were on Thai or Lao soil.

Twelve days later, the Thai weekly magazine LEANG KHAO, in its edition issued on 1 July published an article entitled "What is heard and seen" saying: According to Thai officials, since ancient times the Thai side has understood that the three villages belong to Laos. This is why no Thai official entered the villages.

The administrations of the three villages were also under Lao law. Both the administrative and military branches were attached to the Lao side, and the official language used in the three villages is also Lao. This has been the case for generations.

Therefore, it is as clear as daylight that the land where the three villages are situated is Lao territory. All this has been reported by the Thai press itself and it was a Thai politician who confirmed that the three villages belong to Laos.

Now, what about General Athit Kamlang-ek -- the culprit? Initially he tried to make serious efforts to claim that the three villages belonged to Thailand, but after being exposed and caught redhanded, he immediately gave up and said: I only complied with an order from the government to send troops to provide protection for the construction of the road. I will stop and withdraw the troops when the government orders me to do so.

Gen Athit's interview on First Army Division radio on 17 July 1984, can be seen in two ways. One is that his action was agreed to by other people and that others in the Thai ruling circles backed his action. Another is that his interview automatically serves as a confession for his act of sending Thai troops to attack and occupy the three Lao villages. Now he has agreed that he will stop or withdraw if ordered to do so. The fact about the Thai troops' invasion and occupation of the three Lao villages of Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province, is now very clear. This is because the culprit who created the situation has already made a confession.

Despite the clear evidence, with their cheating nature and with support from Beijing, Athit Kamlang-ek and his fellow ultrarightist reactionaries in the Thai ruling circles have come up with a proposal that both the Lao and Thai sides withdraw troops from the three villages. In his talk with young people in Bangkok on 18 July 1984, Athit Kamlang-ek said: The Thai troops will be withdrawn from the three villages, but the Lao troops must do the same.



Until now, they have stubbornly continued to maintain this proposal. This has exposed the ruthlessness of the ultrarightist reactionaries in Thailand who have intentionally occupied the three Lao villages and pursued schemes to create disturbances in the Lao-Thai border areas in the same way as the Chinese reactionaries have done along the Sino-Vietnamese border, endlessly committing serious crimes against the Vietnamese people.

This has shown the loyalty of the Thai ultrarightist reactionaries to instructions from Beijing. It has also shown that the Thai ultrarightist reactionaries have quickly and actively put into practice the Chinese expansionist-hegemonist lesson. During his visit to China in mid-May, Athit Kamlang-ek was accorded a warm welcome by Beijing. He was able to witness and learn a lesson from the Chinese reactionaries about committing crimes along the Vietnamese border. Athit Kamlang-ek expressed full satisfaction over the Chinese soldiers' serious crimes against the Vietnamese people, and said he was happy with what he had learned.

The hypocritical attitude and statements by Athit Kamlang-ek and his fellow Thai ultrarightist reactionaries surprise nobody. At present, the people are watching what the Thai authorities will do in light of the very clear evidence. Now that public opinion in Thailand, the Thai press, and Thai personages as well as Athit Kamlang-ek himself have admitted that the Thai troops were sent to the three Lao villages, the people no longer speak of sovereignty over the three villages. Instead, they are now watching what action the Thai side will take. It is natural that the people should consider as a conspirator somebody who witnesses a robbery but fails to remonstrate against the robber, and instead shows approval.

The facts about the Thai troops' occupation and plunder of the three Lao villages are now clear. What would be an appropriate action for the Thai authorities to take? Should they pay no heed and let those who committed the fault continue to commit crimes against the Lao people as they are doing now or should they take concrete action to promptly withdraw Thai troops from the three Lao villages in order to create a good atmosphere for Lao-Thai neighborly relations?

In light of the clear evidence as it is today, the Thai authorities are still reluctant to do the appropriate thing. Moreover, they have even acted in an unreasonable way in accordance with the vicious demand of Gen Athit Kamlang-ek who said that the Thai troops illegally occupying and plundering the three Lao villages at present will be withdrawn and that the Lao troops -- militias and guerrillas -- must also be withdrawn from their native land. This, of course, makes the people understand that the Thai authorities have taken side with the robbers.

The best course is that all the Thai troops must be withdrawn from the three Lao villages currently occupied by them, that all Lao citizens captured by them must be sent back to their native villages, and that compensation must be paid to the Lao people for their losses in order to bring the situation in the three villages back to normal.

Only by fully recognizing Lao sovereignty over the three villages, can the problem of the Thai troops' occupation of the three Lao villages be settled. By so doing, a contribution will also be made to creating a common atmosphere for the maintenance of Lao-Thai relations as stipulated in the joint statements of 1979.

MAISOUK SAISOMPHENG HAILS SRV ASSISTANCE

BK221500 Vientiane Domestic Service in Lao 1400 GMT 18 Jul 84

[Statement dated 18 July by Maisouk Saisompheng, member of LPRP Central Committee, minister of industry, handicrafts, and forestry, and chairman of Laos-Vietnam committee for economic, cultural, scientific, and technical cooperation, given to station reporter -- recorded]

[Text] The signing of the Laos-Vietnam treaty of friendship and cooperation in Vientiane on 18 July 1977 marked a new step of qualitative development in the special relations between Laos and Vietnam. It also constituted a new step in the signing of (?an agreement of militant solidarity). Over the past 7 years of the implementation of the treaty, the two countries have further strengthened the friendship, special solidarity, and all-round cooperation in a ceaseless manner and with a satisfactory outcome.

Even though they have encountered numerous difficulties in the economic and cultural fields caused by the aftermath of the war and the multifaceted sabotage scheme of the Beijing big-nation expansionists and hegemonists in collusion with the U.S. imperialists and other reactionary forces, over the past 7 years, in a spirit of intimate friendship and comradeship, the Vietnamese party, government, and people have tried their best to render assistance worth hundreds of millions of dong each year to Laos. Of the 435 projects involving Vietnamese assistance to Laos since 1976, 185 have been gratis aid projects while the other 250 have been funded with no-interest loans.

The SRV has helped Laos train thousands of cadres and workers in various fields, accounting for about one-half of the total number of Lao cadres and workers trained in foreign countries. Each year, Vietnam sends over 900 specialists to help Laos carry out work in various regions, including at the center and in sister provinces in Laos. These Vietnamese specialists have worked side by side with our cadres, workers, and people of all tribes to overcome all obstacles and difficulties in launching numerous construction projects in the fields of agriculture, industry, handicrafts, irrigation, communications, mining, public health, culture, and education.

Some enterprises in our country built with Vietnamese assistance are currently involved in fruitful production, such as the Laos-Vietnam friendship machine shop; the Vientiane pottery factory; the Donghen limestone mine; the state-run forestry enterprise in Muang Phin District in Savannakhet Province; the (Ban Ang) (?airfield) in Xieng Khouang Province; the construction projects in Sam Neua District town, Viang Xai municipality, and Khoua District municipality in Phong Saly Province; small hydroelectric enterprises; hospitals; health clinics; [words indistinct] production foundations; the construction of offices for many provinces; the oil pipeline system; the oil depot system; and small production foundations.

Vietnamese specialists have also assisted Laos in carrying out small communications construction projects and repairing and elevating Highways No. 6, No. 7 and No. 217 for a total length of 300 km and repairing and widening Highways No. 8 and No. 9 and other roads for hundreds of kilometers. [Sentence indistinct]. Particularly, Vietnam has permitted Laos to use Danang port for exporting and importing goods.

Several other projects have been under way, and some of them are expected to be completed by the end of 1984 during the period of the First 5-Year State Plan, including projects in communications and transport sectors, industrial and agricultural production, and the production of cargo ferry boats with loading capacities of between 50 and 150 tons and passenger boats capable of carrying between 200 and 250 passengers sailing in many rivers.

Moreover, they have also helped us build a number of schools and hospitals, including the Sam Neua, Ban Ban, and Oudomsai hospitals with between 70 and 100 beds, the Phonsavan senior high school, and several secondary and elementary schools in Namtha and other areas.

It is worthy of note that with the assistance of Vietnamese agricultural exports, our people have scored brilliant achievements in agricultural production. From 1980 to 1983, our agricultural production has fulfilled the targets of producing more than 1 million tons of grain a year. As a result, our country is able to become fundamentally self-sufficient in food production.

Our relations in the fields of culture, information, newspapers, radio, and television have also been vigorously developed. Especially concerning our national television service, Vietnam provided us with cooperation and assistance in building our television station so it could be completed in time to mark the 8th anniversary of the Lao national day on 2 December 1983. The station began its transmission (?1 week) after that.

The exchange of goods between the two countries has also been expanded and become more frequent. The (?strengthening of) the relations between the two parties and states, similar ministries, state bureaus at the central levels, and between the sister provinces has been carried out vigorously. We have provided mutual assistance to and cooperated with one another in various forms and through various means by relying on the strong points of each locality, such as between (?Son La) Province and Houaphan Province, between Hanoi and Vientiane, between (?Nghe Tinh) Province and Xieng Khouang Province, and Binh Tri Tien Province and Savannakhet Province.

It can be said that the victories scored by the Lao people in the past are inseparable from the wholehearted assistance and cooperation of the fraternal Vietnamese Army, government, and people. Implementing the agreement on the fixing of border prints, the two countries have fundamentally completed the planting of border markers along the 2,000-km common border, thus transforming the Lao-Vietnamese border into a frontier of lasting friendship, contributing to strengthening the friendship and special solidarity between the two countries, and constituting a glorious exemplary solution to any border problems existing between any sovereign and independent states.

The special relations and all-round cooperation between Laos and Vietnam and among Laos, Vietnam, and Kampuchea are an objective law and important factor ensuring the victories for the revolutions in these countries. The strengthening of the solidarity and cooperation between the three Indochinese countries and the Soviet Union as well as other fraternal socialist countries (?is playing a significant role) in the tasks of building and defending the three countries in Indochina. The mutual relations, cooperation, and assistance between Laos and Vietnam have been strengthened and broadened, especially following the summit conference of the three Indochinese countries in Vientiane in February 1983 and the various meetings of the commissions for economic, cultural, scientific, and technical cooperation, thereby further enhancing the socialist construction and the safeguarding of the revolutionary fruits scored by each country.

We firmly believe that by strictly and completely fulfilling the resolutions of the above-mentioned meetings, the mutual cooperation and assistance between Laos and Vietnam and among the three Indochinese countries will be more strongly consolidated and strengthened in all respects, thus gradually conforming to the requirements of the revolutions and the improvement of the living conditions of the people in each country.



Under the beacon of the resolutions adopted at the third LPRP congress, the Laos-Vietnam-Kampuchea summit conference, and the 33d resolution of the party Central Committee Political Bureau, the Lao people pledge to do our utmost to cooperate with the fraternal Vietnamese people to further enhance the achievements we have scored over the past 10 years; to further strengthen the militant alliance, special friendship, and all-round cooperation between Laos and Vietnam, among the three Indochinese countries, and between the three countries and the Soviet Union and other fraternal socialist countries; to exploit the potentials of our country to the fullest in building socialism and securely defending our socialist country; and to smash the dark scheme of the Beijing big-nation expansionists and hegemonists in collusion with the U.S. imperialists and other reactionary forces in trying to threaten and sabotage the revolutions of the three Indochinese countries, thus contributing to the cause of peace, stability, friendship and cooperation (?in the world).

May the special solidarity and all-round cooperation between Laos and Vietnam continue to blossom and bear glorious fruit with each passing day. Thank-you.

#### Official Comments on Treaty

BK210358 Vientiane Domestic Service in Lao 0500 GMT 17 Jul 84

[Statement by Khamsouk Vongvichit, vice chairman of the Lao Committee for World Peace and for Solidarity and Friendship with Nations, given on the occasion of the 7th anniversary of the signing of the Laos-Vietnam Treaty of Friendship and Cooperation -- date not given, read by announcer]

[Text] During the past several decades of struggle against the imperialist and colonialist aggressors, against a common enemy, and for a common lofty cause -- independence, freedom, and socialism -- under the wise leadership of the former Indochinese Communist Party which was founded and directly led by President Ho Chi Minh, and during the past 30 years under the wise and clear-sighted leadership of the LPRP led by Comrade General Secretary Kaysone Phomvihane, the solidarity between Laos and Vietnam has been continuously developed and built and has become great and pure. Particularly, over the past 7 years following the signing of the Laos-Vietnam treaty of friendship and cooperation, this special solidarity has been strengthened and built more extensively, profoundly, and firmly than ever before.

The Lao party, Army, and people have been educated and trained to profoundly grasp the life and death importance of the special relations between Laos and Vietnam as well as among Laos, Vietnam, and Kampuchea and to safeguard such relations so that they will continuously grow and blossom. The peoples of Laos and Vietnam have been trying their best to support each other in order to jointly advance along the path of socialism. For example, we have strengthened our economic, cultural, scientific, and technical cooperation. The SRV has assisted the LPDR in building nearly 200 economic projects such as in the agricultural, forestry, irrigation, and communications and transportation spheres and in building schools, hospitals, and factories.

Recalling past events, I can see more clearly the pure and honest spirit and the lofty spirit of sacrifice, which can hardly be compared with those of other people, that the fraternal Vietnamese people have had toward the Lao people on the basis of Marxism-Leninism and true proletarian internationalism. Despite their difficulties caused by the enemy's aggression and natural disasters, the Vietnamese people have loyally and sincerely assisted us. I am very proud to learn that implementation of the Laos-Vietnam treaty of Friendship and Cooperation has brought about great effective results to the Lao People's cause of defending the country and building socialism, thus affirming the strength of the great and special solidarity between the two countries, which no enemy can sabotage or destroy.



All this has become an important factor guaranteeing our two people's victory in the cause of struggle against the Beijing expansionists and hegemonists who are colluding with the imperialists and other international reactionaries to check the advancement of our revolution.

Parallel with this, our two countries have strengthened our political and diplomatic cooperation in accordance with the spirit and contents of the summit conference of the three Indochinese countries held in Vientiane in February 1983 and in accordance with the conference of the foreign ministers of the three countries, from the first to the ninth sessions, which clearly pointed to the good intentions of the three Indochinese countries to turn Southeast Asia into a region of peace, stability, and cooperation.

On the contrary, the Beijing expansionists and hegemonists have positively obstructed this effort by creating tension and instability in Southeast Asia. They have stepped up a multifaceted war of destruction against the three Indochinese countries. For example, since early April the Chinese reactionaries have moved as many as 15 divisions to the Vietnam-China border, fired 200,000 artillery shells on Vietnamese territory, and sent troops to attack and seize some hills in Vietnam's northern territory, thereby committing untold crimes against the Vietnamese people living in various northern provinces.

Having no fear for such acts, the armed forces and people in various northern border provinces of Vietnam have resolutely, heroically, and victoriously launched counter-attacks, thus bitterly defeating all Chinese acts of war escalation along the border. Meanwhile, the ultrarightist reactionaries in the Thai ruling circles, instructed by the Beijing reactionaries, brazenly and openly sent troops to attack and seize three Lao hamlets in early June -- Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province. They are currently occupying the three hamlets. This constitutes a violation of the sovereignty and territorial integrity of the LPDR and the spirit and contents of the Lao-Thai joint communique signed in 1979, which affirms that the Lao Thai border should become a border of peace and friendship. The above acts also constitute a destruction of the Lao and Thai people's aspirations for peaceful coexistence and good neighborliness.

On behalf of the Lao committee for world peace and for solidarity and friendship with nations, and on behalf of the Lao people of all tribes, I resolutely demand that the Thai side immediately and unconditionally withdraw all its troops and military and civilian authorities from the three Lao hamlets which are being illegally occupied, release the Lao people who are under forced control so that they can return to their native villages, and pay compensation for all the losses in life and property inflicted on the Lao people with a view to creating conditions for returning the situation in the area to normal as it existed before 6 June.

At the Kampuchean-Thai border, the Beijing expansionists and hegemonists and the ultrarightist reactionaries in the Thai ruling circles have colluded with the imperialists and other reactionary forces to continue giving military support to the bloody Pol Pot clique so that it can sabotage the Kampuchean people's revival. Nevertheless, they have sustained heavy defeats in this collusion. The great economic, military, political, and diplomatic successes recorded by the PRK in the past further affirm the irreversibility of the situation in the PRK. In the fact of the sabotage activities and heinous schemes of the Beijing expansionists and hegemonists and their henchmen against our two countries in particular and against the whole of Indochina in general, it is necessary for the Lao and Vietnamese peoples as well as the Kampuchean people to further strengthen their special solidarity, always heighten vigilance, and completely smash all the schemes and activities.

The Lao committee for world peace and for solidarity and friendship with nations will continue to join the Lao people of all tribes in doing their best to strengthen the militant alliance, all-round cooperation, and special relations and solidarity between Laos and Vietnam; strengthen the might of solidarity and mutual assistance among the three countries; persist in developing the solidarity and all-round cooperation with the Soviet Union and other socialist countries; positively contribute to the various nations' struggle for peace, national independence, and social progress; oppose the nuclear arms race; oppose the collusion between the Chinese reactionaries and the imperialists and other international reactionary forces; and totally smash all their sabotage schemes, provocations, and threats.

On this auspicious occasion, I would like to express deep and sincere gratitude to the party, state, and fraternal people of Vietnam for their great meritorious deeds and lofty sacrifices for the Lao revolutionary cause. At the same time, I wish the fraternal Vietnamese people greater successes in defending and building their socialist fatherland. May the great friendship, special militant solidarity, and all-round cooperation between Laos and Vietnam and among Laos, Vietnam, and Kampuchea last forever!

#### LEADERS SEND GREETINGS ON POLISH NATIONAL DAY

BK211149 Vientiane KPL in English 0901 GMT 21 Jul 84

[Text] Vientiane, July 21 (KPL) -- Kaysone Phomvihan and Souphanouvong, respectively general secretary of the Lao People's Revolutionary Party CC, chairman of the Council of Ministers of the Lao PDR and president of the republic, of the People's Supreme Assembly, today jointly sent greetings to the Polish leaders on the occasion of the 40th National Day of Poland.

"40 years ago," wrote the telegram, "firmly supported by the Soviet Red Army, the heroic Polish communists and people scored a historic victory in demolishing the Hitler fascism and definitively liberated the country, thus paving the way to build socialism in Poland.

"During the period of national safeguarding and building under the just leadership of the Polish United Workers Party [PZPR], the Polish people have successfully overcome all difficulties and actively contributed to socialist building in Europe. Enjoying the paramount and effective assistance from the Soviet Union and other fraternal socialist countries, the Polish people have successfully overcome the political and economical difficulties and hence they have consolidated and developed their force of national defense and stabilizing the situation.

"We are proud," further said the telegram, "at witnessing the great success and victory gained by the Polish people which we regard as our own," said the telegram. "The friendship relations, solidarity and common ideal between Laos and Poland have been ever since improved and consolidated."

The telegram also expressed thanks and gratitude to the party, government and people of Poland for their spiritual and material support accorded to the Lao revolutionary cause. The Lao leaders also wished new and still greater success to the Polish people in carrying out the resolutions of the 9th Congress of the PZPR. Similar greetings were sent to S. Olzowski, the Polish foreign minister, by Phoun Sipaseut, the Lao minister for foreign affairs.

## Party Paper Hails Anniversary

BK221024 Vientiane KPL in English 0905 GMT 22 Jul 84

[Text] Vientiane, July 22 (DANA-KPL) -- The Lao people warmly saluted and congratulated the success of the Polish fraternal people in defeating the attempts to undermine the socialist regime in Poland of the U.S. imperialists and the international reactionary forces and their great victory in the build and consolidation of socialism in their fatherland, the Lao Party daily wrote in its editorial published today to mark 40th anniversary of the People's Republic of Poland (July 22, 1944 - July 22, 1984).

During the past 40 years, the daily wrote, the heroic fraternal Polish people under the leadership of the Polish United Workers Party [PUWP] have given brilliant proofs that they were able to overpass all kinds of obstacles either in the conditions of peace or troubles. July 22, 1944, the party daily added, was the historical landmark of the Polish nation in the recovering of national independence, sovereignty and freedom. It was also a primordial event which put an end to the over one hundred years of foreign occupation and exploitation in Poland. Side by side with the Red Army of the Soviet Union, the people and Army of Poland have heroically struggled [against] the Hitlerian fascism and in the World War II Poland have lost six millions of persons, and the nation has to take care of over two millions of invalids and two hundred thousand of orphans, the paper stressed.

In the after-war conditions, the editorial noted, 38 percent of the national economy was destroyed, 70 percent of roads and communication networks were paralysed and most of the Polish towns and cities were razed. From that historical day, the paper said, the Polish people at the present time can be proud of their achievements as well as in the national defence and socialist construction, the national income, if compared with that of 1938, was raised to seven times, and the industrial production was multiplied by 21. Poland is at the second rank in the production of merchandise coaches, tenth rank in the production of metal and 12th in shipbuilding in Europe. Two percent of the world industrial products and four for Europe are produced every year in Poland. In the educational fields, the paper noted, the Polish youth has to go to school till 15 years old and each of the city having at least 50,000 or [more] inhabitants, has at least one university and there are 120 theatres and 30,000 cultural centres throughout Poland at the present day.

Despite the attempts to undermine the socialist regime in Poland by the U.S. imperialists and the international reactionary forces, the Lao people are proud to witness the success of Polish fraternal people who, under the leadership of the PUWP, had defeated all those manoeuvres and successfully restored the normal life in their fatherland, the editorial stressed.

The Polish people, the paper added, are not alone in their struggle and can be sure that they always enjoy the determined support and assistance from the peoples of the USSR and from other socialist countries.

Laos has a long standing tradition of friendship and solidarity relations with the Polish party, government and people, the party paper stressed, and the Lao party, government and people are determined to do their utmost to strengthen and consolidate this existing relations. The Lao party and people will also never forget the support and assistance that they enjoyed during the war of liberation as well as at the present time, given by the party and people of Poland.

The Lao people, the paper finally stressed, seized this occasion to cordially wish the fraternal Polish people to score new and still greater success in the implementation of the 9th General Congress of the Polish United Workers Party.

#### Reception Held

BK230348 Vientiane Domestic Service in Lao 1400 GMT 22 Jul 84

[Text] On the evening of 21 July, Jozef Puta, ambassador extraordinary and plenipotentiary of the Polish People's Republic to the LPDR, held a reception at the embassy in Vientiane to celebrate the 40th anniversary of Poland's national day.

Attending the reception as guests of honor were Sisomphon Lovansai, member of the LPRP Central Committee Political Bureau, and Sali Vongkhamsao, secretary of the party Central Committee, together with ministers, deputy ministers, and many high-ranking cadres from various ministries and departments. Members of the diplomatic corps and representatives of other international organizations also attended. The reception was held in an atmosphere of good and close friendship from beginning to end.

#### Officials Attend Photo Exhibit

BK211155 Vientiane KPL in English 0906 GMT 21 Jul 84

[Text] Vientiane, July 21 (KPL) -- The Ministry of Culture and the Polish Embassy held here yesterday a photo exhibition marking the 40th national day of the People's Republic of Poland.

The opening ceremony was attended by Sali Vongkhamsao, Secretariat member of the party CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, and Thongsing Thammavong, alternate-member of the party CC, minister of culture. Polish Ambassador Jozef Puta and other diplomatic envoys to Laos were also present.

The pictures put on exhibition reflected the great achievements of the Polish people in the past 40 years in the socialist building's tasks.

#### PARTY DELEGATION RETURNS FROM CSSR CONFERENCE

BK201247 Vientiane KPL in English 0941 GMT 20 Jul 84

[Text] Vientiane, July 20 (KPL) -- Saman Vignaket, [member of the] Secretariat of the LPRP CC, and head of the party CC organizing committee, yesterday, arrived here after attending a conference on international and ideology affairs of secretariats of the communist and workers parties of socialist countries which was held in Czechoslovakia from July 11 to 12.

Greeting the Lao party delegation at the airport were Sali Vongkhamsao, secretariat of the party CC member, vice-chairman of the Council of Ministers and chairman of State Planning Committee, and Ladislav Kocsis, Czechoslovakian ambassador to Laos, Nguyen Xuan and Mikhaylovskiy, respectively Vietnam ambassador and Soviet charge d'affaires a.i. to Laos, were also present at the airport.



SALI VONGKHAMSAO ADDRESSES CENSUS CONFERENCE

BK201250 Vientiane KPL in English 0945 GMT 20 Jul 84

[Text] Vientiane, July 20 (DANA-KPL) -- The first ever population census in Laos since 1975 which will start from zero hour, March 1st, 1985 will be assisted by Soviet and Vietnamese experts and will be financed by the United Nations it was revealed at the general conference on the population census which was opened here today. The conference was chaired by Sali Vongkhamkao, secretary of the Lao People's Revolutionary Party CC, vice-chairman of the Council of Ministers and chairman of the State Planning Committee and was attended by more than 300 persons including ministers, deputy-ministers and high ranking cadres from several ministries and provinces. The conference will last ten days.

Khamphet Phengmuang, vice-chairman of the State Planning Committee and chief of the bureau of the first national population census, in his report to the conference, stressed on the importance and significance of the first national census. He also commented on its targets, orientations and plan and revealed that the Lao personnel participating in the national census will take in consideration the 1979 national census in Vietnam and will draw experiences from the Vietnamese experts.

K. Phengmuang stressed that the census will also draft the population maps, the lists of inhabitations and so far the bureau for the national census had already sent its agents to be trained on the spots in many regions.

Sali Vongkhamkao, then addressed the conference saying that the first population census throughout the country is the most important work to be carried out and it is vital for the implementation of the resolution of the third party congress and for the set up and implementation of the Second Five-Year Plan. He stressed that the country still be faced with several difficulties caused by the lack of appropriate communication network in the countries, security in some region and the low educational level of the population but everything should be done for the success of the coming census.

He also pointed out that the local authorities should clearly understand the importance and significance of the first national population census and to fully cooperate with the census agents in their works.

Attends Awards Ceremony

BK230505 Vientiane Domestic Service in Lao 0500 GMT 21 Jul 84

[Text] On the morning of 20 July, the Ministry of Material and Technical Supply held a ceremony to confer medals on various departments and units as well as on cadres and workers of the ministry scoring outstanding achievements and meritorious deeds in performing tasks in 1983. At the ceremony two outstanding units were awarded with the Third-Class Freedom Medals of Victory, four comrades awarded with the Third-Class Labor Medals of Victory, 20 awarded with labor medals, 36 awarded with government certificates of commendation from the Material and Technical Supply Ministry.

Attending the ceremony were Sali Vongkhamkao, secretary of the LPRP Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee, and In Keosavang, acting minister of material and technical supply, together with deputy ministers and many cadres of the ministry.

REPORTAGE ON BORDER TALKS WITH LAO DELEGATION

## No Agreement Reached

BK240151 Bangkok BANGKOK POST in English 24 Jul 84 p 1

[Text] Talks between Thailand and Laos over the three disputed villages have ended without agreement, Laotian Deputy Foreign Minister Souban Salitthilat said yesterday.

Mr Souban told the BANGKOK POST that no further talks were planned for the moment and that he was waiting for further instructions from Vientiane which he expected to receive this morning.

The Laotian minister also said that he was not certain whether he would be leaving Thailand today.

Earlier, Laotian Ambassador to Thailand Kamphan Simmalavong said that the nine-member Laotian delegation was scheduled to leave for home after the third day of talks with Thai officials.

Mr Souban yesterday met with Interior Minister Gen Sitthi Chirarot for talks lasting 40 minutes after which the two officials agreed in principle to set up a joint committee to investigate the geographical location of the three border villages in question. The three villages are Ban Klang, Ban Mai and Ban Sawang bordering Thailand and Laos in Uttaradit and Sayaboury Provinces respectively.

Gen Sitthi told reporters that the proposed committee would present its findings to the Thai-Lao border committee for further consideration. Gen Sitthi and his Laotian counterpart, Mr Sisavat Keobounphan, are co-chairmen of the border committee. Gen Sitthi said he had earlier made an agreement during the border committee meeting with Mr Sisavat that local problems such as the present one should be negotiated in a peaceful manner and must not be allowed to escalate into an uncontrollable dispute.

Describing his talks with Mr Souban as being cordial, Gen Sitthi said the discussion did not touch on the outcome of the three-day talks which took place at the Erawan Hotel between the Laotian delegation led by Mr Souban and the Thai side led by Dr Asa Sarasin, permanent secretary of the Foreign Ministry.

Mr Souban and Gen Sitthi did not raise the question of troop withdrawal by both sides from the disputed area, Gen Sitthi added. At the Erawan Hotel yesterday, the two sides held another round of talks at 3 p.m. which lasted about two hours. Ambassador Kamphan said the talks were conducted in a friendly manner and the two sides were expected to work out a joint press release this morning.

Dr Asa is expected to accompany Foreign Minister Sitthi Sawetsila to China at 10 a.m. today for a week-long official visit.

## Prem on Suspension of Talks

BK240640 Bangkok Domestic Service in Thai 0530 GMT 24 Jul 84

[Text] There was still no solution to the Thai-Lao talks on the three border villages in Uttaradit Province and the talks have been suspended temporarily. The Lao delegation has been asked to return to Vientiane for consultation with its government before resuming talks, the schedule of which will be fixed later on.

Prime Minister General Prem Tinsulanon made the above statement to newsmen before attending the weekly Cabinet meeting this morning. According to the prime minister, the Thai Government made a proposal to settle the problem based on the reasons of friendship and the desire to achieve a favorable atmosphere, but Laos could not accept the proposal.

However, the Thai-Lao talks were marked by an atmosphere of friendship and mutual understanding. The prime minister believed that a new date had already been fixed by the authorities of both sides for talks to be resumed.

Political Department Deputy Director General Thawat Atthayuk and Thai Ambassador to the LPDR Somphong Faichampa this morning held a press briefing at the Erawan Hotel during which they reported on the outcome of the 3-day talks between the Thai and Lao sides from 21 to 23 July. According to them, the talks were held in an atmosphere of friendship and mutual understanding based on sincerity of both sides and their common determination to solve the problem peacefully. The two sides wished to see a speedy solution to the problem acceptable to both sides. The officials said the next meeting was scheduled for 6 August and the Thai Government will again play host to the Lao Government. The governments will still have to decide at which level the talks will be held.

Concerning the just ended talks, the officials reported that the Thai and Lao delegations have reached understanding and agreement on several points. Yet, as the issue is of a highly sensitive nature which needs to be studied carefully and as there still are several points left to be thrashed out, the Thai side has proposed to resume talks later on in order to preserve the atmosphere of friendship in conformity with the spirit of the joint communique between the two countries and of the goodwill of the Thai Government for the government and the people of Laos.

#### Foreign Minister's Comments

BK240921 Bangkok BANGKOK WORLD in English 24 Jul 84 p 1

[Text] Laotian border negotiators will fly back to Vientiane tonight after three days of delicate talks over three disputed border villages, a Laotian official said this morning.

Foreign Minister Sitthi Sawetsila said before leaving for China this morning that the talks have tentatively been rescheduled to resume on August 6, although this was not yet certain. He described the talks as being "near to success, but with certain problems." He said that the Laotian side had tried sincerely to solve the problems.

It was agreed that both sides should report back to their governments first before resuming the talks, he said. There will not be a joint statement yet and each side will make its own statement, he said.

While praising the Laotian delegates for trying to solve the problem, ACM Sitthi said that it seemed that "the Laotian Government was not yet ready to solve the problem in the way proposed by the Thai Government."

In the formal statement issued by the Thai side, it was said that there had been agreement on several points, although there were still several points of disagreement. The Thai side hopes to resume negotiations at the first opportunity, the statement said.

Permanent Secretary for Foreign Affairs Asa Sarasin added later that contacts were still continuing this morning and that the two governments would continue to keep in contact after the Laotian team has left.

Prime Minister Prem Tinsulanon said this morning that the talks had been carried out in an amicable atmosphere with good understanding, although no final solution had been attained. He added that the talks had been suspended for the time being, so that the Laotians can return home for consultations before returning to resume the talks. He said that the Laotian side had made a number of proposals, although he said that there were still a number of points of disagreement.

Asked about the proposal for a "free zone", the prime minister said that Thailand had made the proposal which it felt to be reasonable and based on friendliness in order to create a favourable atmosphere which could lead to an agreement between brothers.

Asked whether there had been proposals for a troop withdrawal, Gen Prem said that if troops were to be withdrawn, it would have to be done on both sides of the border. He was optimistic that a full solution can emerge from the talks. "The important thing is to create a friendly atmosphere and to avoid a confrontation," he said.

Interior Minister Sitthi Chirarot yesterday said that it had been agreed in principle to set up a joint technical committee to study the position of the three disputed villages.

Head of the Laotian negotiating team Deputy Foreign Minister Souban Salitthilat this morning unexpectedly cancelled a scheduled meeting with Supreme Commander and Army Commander-in-Chief Gen Athit Kamlang-ek. Army Secretary Maj-Gen Narudon Detpradiyut said that no explanation was given for cancelling the meeting which had been requested by the Laotian side through the Foreign Ministry.

He said Thai Ambassador to Vientiane Somphong Faichampa who had waited at the Erawan Hotel this morning to take Souban to meet Gen Athit was simply told that Souban was sorry and regretted that he could not explain.

Gen Narudon said that the Army was anxious that the dispute be settled through peaceful means. "They had requested the meeting....It is hard to know their motive," he said.

#### NATION REVIEW Editorial

BK240146 Bangkok THE NATION REVIEW in English 24 Jul 84 p 4

[Editorial: "Laotian Diplomacy Is Taking a High Profile"]

[Text] The Thai-Lao border "dispute" was artificially heated up since the whole matter was a minor argument. Full credit must be given to the Vientiane government for sending Deputy Foreign Minister Souban Salitthilat to Bangkok and the very trip made it against [as published] a matter that can be calmly discussed and resolved between friends. The several sessions of talks that have been held at the Erawan Hotel at various levels got to the heart of the matter -- to which country do the three villages of Ban Mai, Ban Klang and Ban Sawang belong?

Souban's statement Sunday set the tone for the discussions because he made it clear that he will stay in Bangkok until the modus vivendi for settling the border "dispute" was reached. Foreign Ministry Permanent Secretary Asa Sarasin conducted the preliminary talks with the Lao delegation but it fell on Interior Minister Sitthi Chirarot in his capacity of the chairman of the border committee dealing with the issue to make final arrangements. Sitthi said Souban have reached an agreement that should be fully acceptable to both sides. According to Sitthi the three villages in question will be declared a "free zone" accessible to both Laos and Thailand so much so that question of the demarcation of the border can be left to authorities at the local level. Reverting to original statements, Sitthi said that the "dispute" was a minor one and it was agreed to settle the matter by a Thai-Lao subcommittee.



The subcommittee will visit the three border villages and work out a borderline acceptable to both countries, according to Sitthi. Actually, the demarcation of the border is not a political matter but one in which geographers, cartographers and lawyers are involved to study various maps and then decide to accept one of them or draw a new map which will be acceptable to Thailand and to Laos.

Despite whatever minor difficulties and arguments that may be involved in the future over these three villages, we do highly commend the authorities in Vientiane to come to the negotiating table and not indulge in "megaphone diplomacy," which the issue was threatening to become. One must be pretty silly to expect one delegation or the other to wave the magic wand and find a solution. But there is a "magic wand" and that is the negotiating table and once both parties agree to talk, a compromise can always be found.

#### FOREIGN MINISTER DEPARTS FOR 5-DAY PRC VISIT

BK240935 Bangkok BANKGKOK WORLD in English 24 Jul 84 pp 1, 3

[Excerpts] Foreign Minister Sitthi Sawetsila this morning left for China for a five-day visit that will feature talks on the Kampuchean situation and Sino-Thai trade relations. In brief pre-departure comments at Don Muang Airport, the minister told reporters that he would discuss with Chinese leaders avenues for solving the problem of Kampuchea and efforts would also be made to obtain an increase in trade between Thailand and China.

On the bilateral side, the delegation led by ACM Sitthi -- which includes 20 businessmen -- is expected to press for more Chinese imports of Thai goods. Two-way trade, which reached \$500 million in 1983, is in China's favour, mostly due to Thai imports of Chinese petroleum. The business figures in the Thai delegation are also expected to explore prospects for establishing joint ventures in China and Thailand.

#### SERGEANT KILLED BY VIETNAMESE MORTAR FIRE

BK230744 Bangkok THAI RAT in Thai 23 Jul 84 pp 1, 16

[Excerpts] According to a report from Trat, at 0300 on 22 July, Vietnamese soldiers in Kampuchea fired four 85-mm mortar rounds into Thailand. One of the rounds hit the first aid room of the 182d Marine Task Force unit's base at Village Group 4, Tambon Hat Lek, Khong Yai District, Trat, instantly killing Sergeant Sitthichai, whose last name was not identified. Mortar shrapnel also wounded Sergeant Amnat Iamsa-at, whose left leg was blown off at the knee; Sergeant Phanwit Nari, who suffered a broken right arm; and Private Wichai Damrongwicha, who suffered cuts on many parts of the body.

Vietnamese suppression of the anti-Heng Samrin forces continued for several hours on the same day behind the Banthat Mountain Range about 1 km from the Thai border. At 0930, 10 mortar rounds fell in Thai territory at Ban Khlong Chak, Village Group 2, Tambon Hat Lek, Khlong Yai District, causing no damage to Thai property or lives. The report noted that the 4th Vietnamese Division is based at Dang Tong village in Koh Kong Province. About 50,000 Vietnamese soldiers are deployed on the bank of the Khlong Khlon River.

#### ATHIT BLAMES KHMER RESISTANCE FOR BORDER ATTACK

BK220207 Bangkok BANGKOK POST in English 22 Jul 84 p 3

[Text] Supreme Commander General Athit Kamlang-ek said yesterday that the eight villagers killed near a Lao-Kampuchean border junction on Thursday were innocent victims of a business between local traders and Kampuchean resistance guerrillas.

Eleven villagers were also wounded in the attack which occurred in Ban Yang, Tambon Tabang, Nam Yun District of Ubon Ratchathani. Gen Athit said he had received a field military report which indicated that the villagers were mistaken to be some local traders whom the guerrillas had grudges against following a conflict over blackmarket deals.

The general said Border Patrol Police and defence volunteers had already been sent to protect the village. However, Ubon Ratchathani deputy Governor Pramot Kaeopanna told the BANGKOK POST he suspected the killings were committed by Vietnamese-backed forces to undermine Thai-Lao relations. Quoting intelligence reports, the deputy governor also said that Vietnam recently rotated and reinforced troops stationed at the Kampuchean border close to Ubon. He added that more troops had also been moved closer to the Laotian border following a dispute over three Thai villages last May.

#### MILITARY NOTES DESERTIONS BY TROOPS IN KAMPUCHEA

BK230822 Bangkok Domestic Service in Thai 0530 GMT 23 Jul 84

[Text] According to the Supreme Command Information Office, there is currently a high rate of desertion by Vietnamese-Heng Samrin soldiers. The desertion rate reached 15-20 percent in the 75th Vietnamese Division, which operates in Battambang, as a result of loss of morale and supply shortages. Heng Samrin soldiers also regularly defected to the CGDK forces. In the first incidence of mass desertion, the entire antiaircraft company of the Heng Samrin 286th Infantry Division, which operated in Khemmarat Province, deserted on 9 July. A total of 18 of these Heng Samrin soldiers, including a major, later surrendered to the Thai Eastern Command.

#### BANGKOK CITY POLICE PLACED ON 'FULL ALERT'

BK210855 Bangkok BANGKOK WORLD in English 21 Jul 84 p 1

[Text] The police have been put on full alert for possible sabotage against government installations and other important places, a police source said this morning. The source also said that groups of suspicious-looking persons have been spotted at several locations in Bangkok.

Deputy Police Chief for Special Affairs Lt-Gen Suwan Rattanachuen, in his capacity as the police representative in the capital city command, has issued an order to police commissioners and commanders as well as to all units attached to the Police Department to be on strict alert for any possible sabotage in the city.

The order reportedly cited reports from the capital city command that groups of suspicious-looking persons, resembling those just having left the jungle, had been spotted at various places. Each group was said to have consisted of not less than five men. Some of these persons have been spotted at a large house in Soi Aladin off Pahhonyothin Road, according to the reports. The reports also stated that on July 6 at about 5 a.m. 15 persons with strange appearance were seen at the Huai Khwang intersection of Ratchada Phisek Road and on the same day nine more persons were spotted gathering at Ratprasong intersection.

The reports added that they did not look like those preparing to go for employment abroad. Police units have been ordered to take special care at government installations, particularly headquarters, communications centres, ammunition and explosives depots, power plants and water stations. All intelligence units have reportedly been ordered to widen their operation. All police checkpoints both in Bangkok and on roads leading to the city have also been ordered to step up security measures to check persons who might be sent to conduct sabotage in Bangkok.

PAPER REPORTS COMMUNIST PARTY TIES TO VIETNAM

BK210123 Bangkok THE NATION REVIEW in English 21 Jul 84 pp 1, 2

[Text] A top Communist leader recently visited Vietnam and Laos at the invitation of the two Communist countries and was told that Hanoi was ready to resume assistance to the Communist Party of Thailand (CPT) through Laos, highly-authoritative sources told THE NATION yesterday. The sources said that Prasit Taphiathong, a CPT Central Committee member, held talks with Khamban, a Laotian liaison officer in charge of contacts with other Communist Parties, Bunyen Wothong, now in exile in Vientiane, the deputy director of the foreign relations section of the Vietnamese Communist Party, and others during the trip in April or early May.

Khamban told Prasit that CPT should resume contacts and friendship with Laos instead of continuing its alliance with Beijing while the Vietnamese official described as "tactical" the statement made by Prime Minister Pham Van Dong during his visit here in 1978 that Hanoi no longer supported the banned party, the sources said, citing a CPT top secret document. The document was seized during the city swoops in which 22 suspects on communist-related charges were arrested this month.

The Vietnamese party officer was quoted as saying that in strategic terms, Vietnam was ready to assist CPT in its struggle to overthrow the government. He also offered that the aid be channeled through Laos to the outlawed party, according to the document. The sources said that Prasit had requested permission from the party leadership for the trip. The leadership instructed that he could visit the two Indochinese countries but the trip would be considered a local-level contact and Prasit would not be there as a CPT representative, the sources said.

During the period, Khamban also sent Prasit a letter offering resumption of contacts between two parties. However, the sources said, the CPT was still sceptical that the "Viet-Lao" connection was applying the tactics of divide-and-rule by approaching the leaders whom they thought were not strongly pro-China in a bid to pit them against the staunchly pro-Beijing leader, but on the other hand, the underground movement decided to explore the possibility of normalizing ties with the Indochinese countries because it had a policy of "reducing foes and increasing friends."

The sources also said that a party member who belonged to the CPT's foreign relations section reported to the leadership from his base in the United States that CPT should join in the "peace movement" against the installation of U.S.-produced Pershing II and cruise missiles in Europe, side with Arab countries over the Palestinian problems to gain access to financial assistance from Libya, and normalize relations with the Soviet Union as well as establishing connections in East Europe to seek support.

The report was sent to Phirun Chatwanitkun in April and passed on to the communist leadership through Manot Methangkun, an alleged Central Committee member in charge of "front works" both inside and outside the country. The report was filed in the form of a tap record and was decoded into a document which was seized by the special branch during the swoops. Both Phirun and Manot were arrested in the mass arrests.

The sources said that the party operative whom they declined to identify proposed in his report that CPT should back the Palestine Liberation Organization (PLO) to win support from both Arab countries and the Muslim people in the South. A CPT stand in favour of PLA could also lead to financial assistance from Libya to the party, according to the sources.

The sources said that CPT had also entrusted a university lecturer, arrested in the crack-down, with a letter signed by party Secretary General Pracha Thanyaphaibun to be passed on to the Soviet leadership to express condolences for the death of late top Soviet leader Yuriy Andropov. The lecturer, however, did not fulfill the assignment, citing that he was not sure whether the signature was genuine and that he had not direct connections with the Soviet leadership. But he was quoted as telling a CPT Central Committee member that he would try to establish connections with the Communist country in the future.

The sources said that although the letter, a copy of which was seized by police, did reach the destination, the CPT leadership had resolved that on next special occasions the party would take similar actions at the top level to try to establish connections with the Soviet Union.

#### DEFECTOR SAYS SEPARATIST LEADER DIES IN MALAYSIA

BK211029 Bangkok BANGKOK WORLD in English 21 Jul 84 p 3

[Text] Pattani -- Po Ye, leader of a major southern separatist movement, died of complications arising from chronic ulcer on July 12 in Kelantan State, Malaysia, a separatist defector told Pattani Governor Wirot Ratcharak this morning. The defector, Sama-ae Popaenawae (40), is the right-hand man of Po Ye, leader of the Barisan Nasional Pembebasan Pattani [BNPP]. He surrendered to Governor Wirot last Wednesday. Sama-ae, a native of Tambon Paseyawo in Saiburi District, told the governor that Po Ye died at the age of 73 at his home in Paseputeh District of Kelantan. Po Ye, a native of Saiburi, was named secretary-general of the BNPP in 1957 while Adun na Saiburi, a former MP for Narathiwat, was leader of the movement.

In the same year he led about 200 sympathisers to set up a camp on the Budo mountain range bordering the three provinces of Pattani, Yala and Narathiwat. He was also alleged to have sent many of his followers to close various rubber plantations and business firms and staged bus holdups in exchange for protection fees. Thai authorities carried a suppression campaign against the movement from 1957 to 1973. Po Ye later left the Budo mountain and fled to Kelantan State. He was appointed leader of the movement when Adun dies several years ago.

#### TRADE DEFICIT FIGURES FOR 1ST HALF YEAR REPORTED

BK220748 Bangkok Domestic Service in English 0000 GMT 20 Jul 84

[Text] Thailand's trade deficit in the 1st half of the year totaled about 38,000 million baht. Assistant Director Kiattisak Micharoen of the Bank of Thailand governor office said that the figure is much lower than that of the 2nd half of last year. He said that the deficit of 1984 is expected to be about 75,000 million baht.

Thai exports from January to June totalled over 83,000 million baht. This was a 15 percent increase over the same period of last year. Imports, however, rose by 11 percent to about 121,000 million baht. Mr Kiattisak said he expected imports to decrease in the 2nd half of the year because of the central bank's control on credit growth.

Major Thai exports include rice, rubber, maize, and fabric. Major imports are raw and semi-raw materials, trucks, buses, and automobile bodies.



THAI-U.S. 'COBRA GOLD-84' EXERCISE REPORTED

BK230535 Hanoi Domestic Service in Vietnamese 0400 GMT 23 Jul 84

[Text] On 20 July Thai and U.S. naval forces began a joint military exercise code-named "Cobra Gold-84" in the Gulf of Thailand under the command of Thai Rear Admiral Phirom Nisaiphan and U.S. Navy (?Commander) (Robert Enrice). This military exercise will last until 8 August and involve 14,000 American and Thai soldiers and 30 warships, 11 of them American -- including two helicopter carriers, the New Orleans and the Okinawa. This is further proof that the Bangkok authorities and the United States are colluding in showing off their military forces in Thailand for no other purpose than to cause tension and threaten peace and stability in Southeast Asia.

BORDER TALKS OPENED BETWEEN THAILAND, LAOS

BK230531 Hanoi Domestic Service in Vietnamese 0400 GMT 23 Jul 84

[Text] According to foreign sources, Thailand and Laos began talks today on solving their prolonged border dispute. In a speech on arrival at Don Muang Airport, Lao Deputy Foreign Minister Souban Salitthilat said his government hoped there would be a peaceful solution to the dispute. Thai officials described today's talks as cordial and bringing about important improvements to the diplomatic atmosphere between the two countries.

VIETNAM MARKS 40TH POLISH NATIONAL DAY

## SRV Leaders Send Greetings

OW211722 Hanoi VNA in English 1552 GMT 21 Jul 84

[Text] Hanoi VNA July 21 -- Vietnamese leaders today sent their warmest greetings to their Polish counterparts on the 40th National Day of the Polish People's Republic (July 22).

The message, jointly signed by Le Duan, general secretary of the Communist Party of Vietnam Central Committee; Truong Chinh, president of the State Council; Pham Van Dong, chairman of the Council of Ministers, and Nguyen Huu Tho, chairman of the National Assembly, is addressed to W. Jaruzelski, first secretary of the Polish United Workers' Party Central Committee, chairman of the Council of Ministers; H. Jablonski, president of the Council of State; and S. Gucwa, president of Sejm of Poland.

It says: "Over the past forty years, under the leadership of the Polish United Worker's Party, developing their love for the motherland and socialism and their creative labour and in close alliance and allround cooperation with the Soviet Union and other fraternal socialist countries, the working class and people of Poland have made untiring efforts to overcome numerous difficulties and trials and obtained many achievements in the building and defence of socialism.

"These achievements, together with the active foreign policy of peace of the Polish people's republic have actively contributed to the common struggle against imperialism for peace, national independence, democracy and socialism.

"The Vietnamese people strongly support the efforts of the party, government and people of Poland headed by Comrade W. Jaruzelski, aimed at taking the country out of difficulties, completely defeating the scheme of the imperialist and reactionary forces, firmly consolidating socialism, and successfully building a prosperous and happy socialist Poland.

"On this occasion, we wish to express our sincere gratitude to the party, government and fraternal people of Poland for their precious support and assistance to Vietnam in our former resistance against the imperialist aggressors as well as at the present time in our national construction and defence tasks.

"We wish the Polish people many new achievements. May the friendship, militant solidarity and allround cooperation between Vietnam and Poland based on Marxism-Leninism and proletarian internationalism consolidate unceasingly and develop fruitfully".

#### NHAN DAN Editorial

OW220803 Hanoi VNA in English 0719 GMT 22 Jul 84

[Text] Hanoi VNA July 22 -- NHAN DAN today, in its frontpage editorial marking Poland's 40th National Day, warmly hails the Polish people's brilliant achievements over the past 40 years.

The paper says: "The founding of the Polish People's Republic was a glorious victory of the national democratic movement and the inevitable outcome of the Polish people and Army's heroic struggle against fascism with the Polish Communists and working people, whole-heartedly supported by the Soviet Union, as its core.

"In face of the greatest trial of 1980-81, the Polish people, with the assistance from the socialist countries, especially the Soviet Union, have warded off a grave danger bringing the situation in Poland back to normal and continuing to take their country forward."

NHAN DAN goes on: "The Vietnamese people warmly hail the great achievements recorded by the Polish people, and rejoice at their victory, under the leadership of the Polish United Workers' Party headed by Comrade Wojciech Jaruzelski, in smashing the counter-attacks by both the internal and external enemies".

The paper points out that Poland's victory in building and defending socialism has dealt a heavy blow at imperialism's counterrevolutionary global strategy, strengthened socialism, and greatly contributed to the cause of defending peace in Europe and the rest of the world.

"The persistent stance of the Vietnamese Communists and people," it says, "is to unite with the Polish Communists and people, to resolutely support their struggle for consolidating and developing the socialist gains in Poland".

It expresses the Vietnamese people's profound gratitude to the party, government and people of Poland for their precious assistance and support for Vietnam's revolutionary cause in the past and at present. It exalts the constant consolidation and development of friendship and cooperation between Vietnam and Poland on the basis of the principles of Marxism-Leninism and proletarian internationalism.

CHAM TOWERS RESTORED WITH POLISH ASSISTANCE

OW201846 Hanoi VNA in English 1541 GMT 20 Jul 84

[Text] Hanoi VNA July 20 -- A cluster of ancient Cham towers including more than 20 architectural units, ravaged by time and devastated by U.S. bombs and shells during the recent war, has been restored to its original state after nearly four years of intensive work with the assistance of Polish specialists.

The said towers lie in My Son hamlet, Duy Tan village, Duy Xuyen district, in the central coastal province of Quang Nam-Da Nang. French documents record about 71 major or small tower in the My Son Valley, the biggest and most beautiful of which called Tower Ai by French scholars, stood almost 30 metres high. The My Son Valley lies about 25 kilometres from the former imperial city of the Cham Kingdom and about 60 kilometres southwest of the port city of Da Nang. These used to be hundreds of tower-temples dedicated to the worship of Shiva. It took several centuries to build the towers and the work might have been finished towards the end of the 12th century.

Each of the towers was built on a rectangular ground. Its narrow inner space was made of neo-ornamental thick bricks and had a vault ceiling. Over centuries, no major sign of decay was detected except for a few cracks made by the growth of willow trees. Most damage was made by bombs and shells wantonly dropped by U.S. puppet troops during the war.

In 1969, the My Son area was subjected to carpet-bombings conducted by U.S. strategic bombers B-52 three-fourths of the towers were razed to the ground and none of the rest remained intact. After South Vietnam was completely liberated and the country reunified, the S.R.V. Government made it an important task to restore the cultural relics of the Cham ethnic minority, first of all the Cham towers.

In 1981, in furtherance of a Vietnam-Poland program for cultural cooperation, the first group of Polish experts came to Vietnam to help restore and rebuild the Cham towers. Over the past four years, with Polish assistance, basis surveys of each war-ravaged tower have been completed. Hundreds of cubic metres of earth and debris removed, the ruined tower walls restored, and the stone balustrades reassembled. Vietnamese and Polish experts and workers have taken every care to avoid the least travesty during the restoration work.

TRUONG CHINH, NGUYEN HUU THO GREET SOUPHANOUVONG

BK230254 Vientiane Domestic Service in Lao 1100 GMT 22 Jul 84

["Recent" message from Truong Chinh, chairman of SRV Council of State, and Nguyen Huu Tho, chairman of SRV National Assembly, to Souphanouvong, LPDR president and SPC chairman]

[Text] On the occasion of your 75th birthday, we would like to convey our profound sentiments of fraternity, warmest greetings, and best wishes to you, comrade, a beloved and respected friend of the Vietnamese people. We wish you, comrade, good health and long life so as to, together with the LPRP Central Committee, the SPC, and the Council of Ministers of the LPDR, lead the Lao people of various tribes to score ever greater successes in many fields in the cause of defending and building prosperous Laos. May the great friendship, militant solidarity, and special relations between our two countries be consolidated and developed with each passing day. With profound fraternal salutations and high respect and love.

GDR SHIP ARRIVES IN HAIPHONG; CEREMONY HELD

OW221105 Hanoi VNA in English 0843 GMT 20 Jul 84

[Text] Hanoi VNA July 20 -- A ceremony was held in Haiphong port city yesterday to welcome the GDR ship Max Reichpietsch, the first to arrive in Vietnam in furtherance of an agreement on shipping between Vietnam and the GDR. By virtue of this agreement, the Vietnam Ocean Shipping Agency (VOSA) and the GDR ocean shipping enterprise "VEB Deutfracht Seerreederei" will cooperate in ocean shipping, especially in the handling of exports and imports between the two countries.

VFTU INTERNATIONAL ACTIVITIES REVIEWED

OW221728 Hanoi VNA in English 1513 GMT 22 Jul 84

[Text] Hanoi VNA July 22 -- On the occasion of the 55th anniversary of the Vietnamese Trade Union Movement (July 28) Nguyen Thuyet, head of the International Department of the Vietnam Federation of Trade Unions (V.F.T.U.) has written the following article for VNA:

"Only nearly a year after the foundation of the Red Workers' Association (RWA), tens of thousands of workers responded to the appeal of the party and the RWA to involve workers and peasants throughout the country into activities to mark May Day of 1930, turning it into a demonstration of force of the Vietnamese revolution. Also in that year, the Vietnam RWA sent a delegation to the 5th Congress of the Red Workers' Association International held in Moscow on August 15, 1930. The Vietnamese working class' attachment to the cradle of the proletarian revolution was of very early date.

In a letter addressed to the Central Committee of the Communist Party of the Soviet Union, the First Congress of the Communist Party of Indochina said: "The capitalists and imperialists are preparing to attack the Soviet Union. We, Indochinese workers, peasants and soldiers, under the leadership of our Communist Party, will do all we can to defend the Soviet Union, the bulwark of the world revolution".

Even under the French colonial rule, the Vietnamese labouring masses always considered the French workers their class brother and ally fighting a common enemy, French capitalism. They also took large-scale activities in solidarity with the Chinese revolution and the Chinese people's anti-Japan resistance. Only seven days after its establishment, on July 27, 1946, the Vietnam General Federation of Labour held a nation-wide "anti-Franco day" in support of the Spanish working class and people, even as the anti-French resistance was going on, the Vietnam trade unions organized a collection in October, 1948 to support the striking French miners.

In the midst of enemy encirclement, they still sent their delegation to the Second Congress of the World Federation of Trade Unions (WFTU) held in Milan (Italy) in June 1949, with a view to winning sympathy and support of the world labour for the Vietnamese patriotic fight and also to contributing to the common effort to foil the schemes and acts of sabotage against the unity of the WFTU by the leaders of the American and British trade unions.



During their war against the U.S. aggression, the Vietnamese workers and trade unions constantly manifested their solidarity with the progressive American labourers and trade unions and their anti-war activities. In their present struggle against the expansionist and hegemonist policy of the Beijing ruling circles, they always make a clear distinction between the Chinese reactionary rulers and the Chinese working class and people.

The Vietnam trade unions have now established relations with more than 100 trade unions of nearly 80 countries and many other regional organizations of different political affiliations. The VFTU has been elected to leading offices of the WFTU, such as the General Council, the Executive Committee, the Auditing Committee and appointed to run its Asian Liaison Office. The specialized trade unions of Vietnam have been elected to the executive committees of 11 trade unions internationals.

In their international activities, the Vietnam trade unions have placed the highest priority on the tasks of consolidating and strengthening the militant solidarity and allround cooperation with the trade unions of the Soviet Union, Laos, Kampuchea and of the other fraternal socialist countries.

They have unceasingly developed friendship and mutual support and assistance with the trade unions in developing countries in their struggle to defend and consolidate national independence and to set up a new world economic order against the exploitation by the imperialists and their transnational corporations. They have made positive contributions to the preparation of the Trade Unions Congress of Asia and the Pacific to be held in 1985. In the same spirit, they have always attached importance to developing friendship and cooperation with the trade unions in ASEAN countries in order to jointly build Southeast Asia into a region of peace, friendship and cooperation.

The Vietnamese labourers and trade unions are closely following and uniting with the persistent and courageous struggle of the working class and trade union movements in the capitalist countries against state monopolies, for their daily interests and social progress.

#### PUBLIC SECURITY SECTOR LOWERS CRIME RATES

BK230600 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Jul 84

[Text] Working in coordination with the armed forces, the youth unions, and the trade unions, the public security sector has cracked down on crimes and organized patrol and guard duties in key areas, arresting many violators of the law and recovering many items of property, supplies, and goods worth millions of dong. Thanks to this, the number of cases involving theft of property has dropped by 30 percent; crimes, 10 percent; and social vices, 35 percent, over the same period last year.

In coastal and border districts such as Nghi Loc, Kien Chau, Thach Ha, Ky Anh, Juong Son, Ky Son, Tuong Duong, and so forth, the public security forces have served as the core in building a national defense and security line and devised and practiced many plans for coordination in combat with the local armed forces. The public security forces of Nghe Tinh Province have consolidated 20,000 people's public security teams and almost 2,000 assault youth security units and assisted the various localities in satisfactorily defending economic and production establishments against the enemy's multifaceted war of sabotage.

NEW ZEALANDMEMBERS OF NEW LABOR GOVERNMENT ANNOUNCED

BK240909 Hong Kong AFP in English 0822 GMT 24 Jul 84

[Text] July 24 (AFP) -- Here is the full list of the New Zealand Labour Government announced today:

David Lange -- prime minister, minister of foreign affairs, minister in charge of Security Intelligence Service.  
Geoffrey Palmer -- deputy prime minister, leader of the House, minister of justice, attorney-general.  
Mike Moore -- minister of overseas trade and marketing, tourism, recreation, publicity and sport.  
Roger Douglas -- minister of finance, inland revenue.  
Richard Prebble -- minister of transport, railways, civil aviation, Pacific island affairs, associate minister of finance.  
Coro Wetere -- minister of Maori affairs, lands and forests, valuation.  
David Caygill -- minister of trade and industry and associate minister of finance.  
Russell Marshal -- minister of education and environment.  
Frank O'Flynn -- minister of state, minister of defence, deputy minister of foreign affairs, associate minister of overseas trade and marketing.  
Mike Bassett -- minister of health and local government.  
Ann Hercus -- minister of police, minister of social welfare and women's affairs.  
Bob Tizard -- minister of agriculture, fisheries, rural bank and finance corporation.  
Stan Rodger -- minister of labour and state services.  
Jonathon Hunt -- minister of broadcasting and postmaster-general.  
Fraser Colman -- minister of works and development, associate minister of energy.  
Kerry Burke -- minister of regional development, employment and immigration.  
Margaret Shields -- minister of customs, consumer affairs.  
Peter Tapsell -- minister of internal affairs, civil defence, arts, associate minister local government and associate minister tourism.  
Phil Coff -- minister of housing, Government Life Insurance Corporation, state insurance and public trust.

MARCOS MAKES STATE OF UNION SPEECH TO BATASAN

OW231215 Quezon City RPN Television Network in English 0912 GMT 23 Jul 84

[State of the Nation Address by Philippine President Marcos at opening session of Batasang Pambansa -- live]

[Text] [Applause] Thank you very much. Mr Speaker, Mr Prime Minister; distinguished members of this august assembly, the first Batasang Pambansa; ladies and gentlemen:

To this historic inauguration of this parliament of the nation I bring the hopes and prayers of our people, that it will live up to its mighty charge. All of us could wish that this moment might be marked in fitting celebration of its historic significance in the annals of our country, but we convene at a time of testing and challenge for the nation. Our agenda is long, and will not wait on ceremony or ritual, and we could all wish too that, as in times past, I can report to you today on the health, the vigor, and the prosperity of our national life. But we meet today in quest of national recovery from a crisis of vitality in the face of adversity. We can be proud and thankful that that crisis has not found us prostrate and despairing, that adversity has not torn our society into islands of panic and fear, that purposive work continues today to down the tides of crisis in our midst and to secure the stability and confidence of the nation.

But clearly we have only moved past what could have been the eye of the storm. Its stale winds still laugh at us, and there is much rebuilding to be done.

In every time of ordeal for a nation, it's not so much the resources at its disposal, says the wise man, as it is the quality of leadership that finally decides the outcome. We need such leadership now -- the leadership of the members of the Batasang Pambansa, the leadership perhaps of the government, and also the leadership of the party in power, as well as the leadership of the opposition party.

Each has its own duties and responsibilities, its own cause to pursue and promote. But in the survival and growth of the nation we are not rivals, but partners. We are all partisans for a common cause. This has been the way with us in every time of crisis and challenge for our country and our people. Through all the mutations of political parties and creeds, we have always instinctively understood and recognized that, while we are servants of our political allegiances, we are the nation's above all.

So let there be light and reason in our relations. Let us seek and find in creative debate and deliberation the way and the means to promote and advance together to a national future. In such a spirit of collaborative effort, the common burdens that we face today are less heavy than they seem, and the gains we have made by the midpoint of the year are a touchstone perhaps for the vindication of our hopes.

We began the year embattled by the most severe economic crisis to confront us since 1972, and this was quickly abetted by new restiveness in our political life and the resurgence of insurgency and rebellion in the country. But we stand at midyear assured of the stability of our republic, strengthened by the holding -- successful holding -- of a parliamentary election and encouraged by the revival of demonstrated confidence in our country.

The prospects for national economic recovery were brightened somewhat by encouraging developments abroad that suggested the beginning of a worldwide economic recovery. Sustained levels of economic growth in many developed countries during the first semester of 1984, particularly in the United States -- 7.9 percent it was -- and Japan -- 1.8 percent -- are the first clear signs in years of a major economic turnabout. This has produced in turn new trade accommodations and improving terms of trade that were particularly welcome for the economies of developing nations. The strategies, policies and measures adopted in the national recovery effort have sought to maximize the effects of this economic recovery in the industrial world on the national economy, at the same time that austerity measures sought to contain the country's balance of payments deficit.

These resulted in encouraging performances in some sectors of the economy. For the first quarter of 1984, an actual surplus of \$239 million was posted in the balance of payments positions. When adjusted for arrearages in interest and other payments for the same period, a deficit of \$155 million was incurred. For the first 5 months of 1984, the value of exports posted a growth of 7.6 percent -- from \$1.9 billion 144 million to 2.144 billion.

Imports, in contrast, declined by as much as 21 percent, from \$3.036 billion to \$2.399. In agriculture, the grain situation improved during the first 3 months of the year as rice and corn production increased by 1.5 percent and 10.5 percent respectively. Major commercial crop production, however, particularly of copra and coconut oil, experienced a reverse trend during the first quarter, notwithstanding favorable world market prices.

The average value of industrial production grew by about 30 percent from the same period last year, with the food manufacturing sector experiencing a 61 percent growth over the previous year. The improvement of industrial production was accompanied by the reduced consumption of commercial energy. In investments, paid-up investment in the industry sector increased by 25.7 percent, pushed up mainly by the 150 percent growth in the mining and quarrying sector.

The favorable developments of the first semester, however, could not reverse the perceptible slowdown of the economy as a result of the economic crisis. A rise in consumer prices, which started in the last quarter of 1983, was notable during the first 4 months of 1984. This development was largely influenced by successive foreign exchange adjustments and the continued speculations in the peso-dollar exchange rate. This was compounded by the reduced supply of imported inputs and the slowdown in production activity.

To hold the line against inflation, the government implemented strict monitoring of prime commodities and improvement in the marketing and distribution system to protect consumers from undue price increases and supply shortages. Likewise, the monetary authorities adopted restrictive measures to control liquidity expansion in order to contain its inflationary effects.

Along with inflation, unemployment was a major area of concern. The aggregate employment level reached 18.7 million as of the first quarter of 1984. This implies an increase in unemployment rate to 6.3 percent from only 5.9 percent for the comparable period last year.

In view of the unemployment situation, the emergency unemployment assistance package was implemented full-scale in early 1984. This provides for 300 million pesos to be earmarked for unemployment assistance. Of this amount, some 50 million pesos has already been released, with a total of 20.2 million already loaned out to laid-off workers.



The general slowdown in employment has scarcely affected, however -- it has scarcely affected the movement of average incomes. The index of average earnings in key manufacturing enterprises rose by 23 percent for the first 5 months of 1984. This was a result of continued efforts to adjust the legislated minimum wage in response to changes in the cost of living. The minimum wages have already been adjusted twice this year, for both nonagricultural and agricultural workers. Thus, the effective pay now stands at 51 pesos and 92 centavos and 50 pesos and 83 centavos for nonagricultural workers in Metro Manila and outside Metro Manila respectively. At the same time the minimum wage of 42 pesos and 50 centavos and 32 pesos for agricultural workers in plantation and non-plantation areas respectively.

These developments at midyear reflect the impact of crisis and adversity in the economy on our people. They also show the measure of our response, how resourceful and how courageous, how resilient we can be in the face of crisis.

But the danger for us is not past. We have made only a start on the long road to economic recovery and stability. The coming months and years will determine whether we can have development under the rigors of financial discipline and austerity, whether we can bring about not just temporary relief and stability, but sustained and authentic economic recovery and growth.

I come before you tonight to declare my faith that we have the fortitude, the resolve, and the imagination to meet this challenge. This calls for action on many fronts, but our main lines of action are the following:

First, the adoption of a disciplined financial and budgetary program, exercising greater control in public spending, and channeling resources to activities that will result in productivity and growth.

Second, the restructuring of the nation's external debt to relieve the pressure of maturing foreign obligations, and to encourage new foreign investments in the economy.

Third, the refocusing of economic priorities to emphasize balanced agroindustrial growth, which promotes the development of agricultural and agrarian reforms side by side with industry.

Fourth, the acceleration of the structural adjustment program for the economy, to strengthen export production, energy self-reliance, industry dispersal, and tourism development.

Fifth, the implementation of a nationwide productivity effort designed to mobilize our people for productive self-reliance activities.

Sixth, the promotion of social equity in the national recovery effort so that individual welfare is fully protected and enhanced, and social services continued to expand and improve.

Seventh, a development of closer, stronger partnership between government and the private sector in the implementation of the recovery program.

Eighth, action to enhance the performance, productivity and accountability of all levels of government in development administration.

Ninth, action to ensure the peace and security of the nation in the face of insurgency, efforts to derail the recovery programs, and to solve social unrest and political instability.

Tenth and finally, the continued strengthening of our political system and institutions.

In each of these areas of action, government shall forthwith ask Batasan to pass the proper legislative action that will enable us to meet our targets and goals.

On financial stability, which is first on our agenda, we shall continue on the course of fiscal and budgetary prudence. Even the \$67.5 billion budget [currency as heard], which has been proposed for next year, may have to be cut by several billion. Prudence designed to stabilize the balance of payments position will be followed to eliminate waste in government, to generate savings for productive and development activities, to strengthen comprehensive debt management, and to improve our tax administration and collection effort.

To develop and strengthen the financial system, we shall encourage bank mergers and consolidation, longer-term spending, the regional dispersal of financial institutions, strengthen supervision and control of government financial institutions, and develop the capital market. Let there be no doubt about our commitment to help our financial institutions to strengthen themselves and stabilize their operations.

I can report to you that during this period of uncertainty the government has acted resolutely to assist many of these institutions in distress. This includes organizations that are controlled by members or sympathizers of the opposition. Our concern is for the whole of our financial system, and our commitment to strengthen it will be sustained. We shall shift the emphasis in financing development efforts from foreign borrowings to domestic resource mobilization. In support of this financial stabilization program, we shall seek from the Batasan legislation to strengthen comprehensive debt management to tighten the coordination of government corporate activity, to strengthen the supervision and control of private financial institutions, and to improve tax administration and procedures.

The second line of action pertains to the restructuring of external debt, to lessen repayment burdens of the country. The successful resolution of the financial program being negotiated with the International Monetary Fund and with private creditors will achieve two important aims: First, it will reschedule and restructure maturing foreign obligations, and second, it will provide the country with badly needed foreign exchange resources.

To make the restructuring program work for us, however, we must impress and stress that every new inflow of financial assistance and trade credit facilities is utilized to increase the country's capability to increase exports and reduce imports. This must be reinforced by a responsive and efficient domestic financial market.

We need, thirdly, to refocus our economic priorities in the light of new constraints. We must emphasize a new, balanced agroindustrial development which promotes the development of agriculture side by side with industry. Later, this week or the following week, there will be submitted to you a national development plan which runs along these lines.

Our program recognizes the strategic role that agriculture must now play in the national recovery effort. We look toward increased agricultural productivity as the key to economic recovery and balanced agroindustrial development at this time, when industry must undergo structural adjustments to reduce its import dependence.

In agriculture, sectoral reforms are now being implemented, and they focus on the gradual lifting of price ceilings and removal of market intervention which affect key commodities and agricultural inputs. Self-sufficiency will be sought in various agricultural products, particularly the big grain sector, where recent production statistics for yellow corn have been most impressive.

We envision self-sufficiency and the end of corn imports by 1985, and exportable surpluses by 1987.

In support of balanced agroindustrial development, we shall now seek from the Batasan legislation to strengthen land use management and control, to improve environmental protection and conservation of natural resources, and to dismantle excessive regulations affecting various aspects of agricultural production, marketing and distribution.

In industry, the structural adjustment program for the economy will be intensified, with emphasis in exports development, progressive energy self-reliance, industry dispersal, and tourism promotion.

But we must develop world competitive and agro-based industries and intensify selective import substitution. With economic recovery in the West on the upswing, we not only should expect improved export performances, we should aggressively promote production of nontraditional manufactured goods and agro-based exports.

As the contribution of domestic energy resources increases, the country's dependence on imported oil will drop to 50 percent by 1985, and further to 42 percent in 1987. On the other hand, our national electrification program will be pursued to raise electricity coverage to 62 percent of total rural households by 1987.

All these actions in agriculture and industry form part of our program for national productivity and self-reliance. We have initially set aside from national savings -- and with the condition it does not increase our deficits -- a total of about 500 million pesos for our national productivity program; another 3 billion in savings and reserves -- and not from the deficits of the budget -- is earmarked for 1985. The heart of this program connotes in essence a shift from import-dependent development strategy to indigenous and locally based development. It accepts the challenge to the nation to look within for deliverance, to tap the energies of our own people for growth.

In support of economic efficiency and greater productivity, we shall seek from the Batasan legislation to overhaul economic incentives, including fiscal privileges, in order to reduce fiscal losses to the government and induce better performance.

In our productivity program, social equity is our essential objective. We can only develop as a nation to the extent that we invest in our youth and in the well-being of our millions. No development can arise save from the talents, the energies, and the labor of our human resources. Individual welfare and social services therefore form a major part of our updated development plan.

First and foremost, we must and we will bring inflation down. Greater productivity will be for nought if incomes are shriveled by high prices. We expect to contain inflation at 25 percent by the end of the year, God willing. And in the succeeding years of the program, we shall be relentless in cutting it down.

Second, we shall do all to protect and promote the welfare and rights of labor, and ensure a climate of industrial peace. Toward this end, I believe that it's time to create some kind of a commission to look into the causes of labor and industrial disputes, and recommend further measures for their prevention. I propose that the members of such a commission shall come from labor and management only, so that government may play referee. These are the principal dramatis personae in the labor situation, and the government is willing to step aside for the nonce. I call upon this commission to likewise recommend a revision, repeal, amendment, and possible overhaul of our existing labor laws.

Third, we shall strive for a more efficient delivery of social services to reach the nearest and the farthest regions of the country, and especially to alleviate the plight of the least advantaged.

Finally, we shall work for the further reduction of our population growth rate. Before the year is over, it is estimated that we shall be 53.4 million people. In times of adversity like the present, there is need more than ever for the integration of population management and economic development efforts.

In support of social equity, we shall seek from the Batasan legislation for the implementation of urban land reform and for the clarification of the status of rent control. We shall welcome legislation and support aimed at fostering the well-being and morale of our workers.

Next, we emphasize the high importance of an effective partnership between the government and private sector in the recovery and productivity program. In this spirit, I intend to create a national productivity council which shall oversee the economic recovery and productivity effort, and in which we shall provide for representation in the private sector.

In the same spirit that tapped the full spectrum and advise and counsel in the economy, I shall form a council of economic advisors from among members of the private sector to complement work of our Council of Economic Ministers and to provide a second view of our economic direction and policies. I believe such a council of advisors will go far in enabling us to achieve a clearer perspective on our problems, our options and our programs. And it is just possible that we can arrive, through consultation and counsel, at a broad consensus of economic purposes and goals that will contribute greatly to economic recovery and growth.

As important as government consultation with the many sectors of our society is the need to look into the health and vitality of our government machinery for the task of development administration. Our program is exchanges in outlook, commitment, in men and institutions. It is unthinkable that this should not begin in government itself. We have referred in passing to fiscal measures designed to eliminate waste and fat in government. We go farther to say that we require a more comprehensive line of action that will include not only this, but address as well the corrosive effect of graft in government and service and the elimination of bottlenecks in government procedures and processes.

In support of these aims, we shall seek from the Batasan legislation to streamline government operations, including the corporate sector, to upgrade the civil service, and to improve accountability in the exercise of public functions.

As we take purposive action to spur the economy to recovery and growth, we need to ensure peace in our society and the security of our republic. This period of uncertainty and stress in national life has been also a time of intensive buildup of subversion and insurgency. The peaceful pursuits of reforms, including demonstration and protest, is a necessary part, I presume, of our democratic life. But it is a very great and disturbing trend when these are willfully infiltrated and manipulated by subversives and provocateurs.

Likewise, the efforts of labor to secure workers' rights and welfare have been marred often by subversive infiltration of their ranks, and this has led sometimes to violence at the picket line.



The dangers in the end would not be disturbing but for the heightened activities of insurgent terrorists in recent months; for the combination of both of intensified urban activity and of countryside insurgency suggests an expansion of aims and a buildup of strength. The gravity of these threats has therefore been met with a proper response by our government and military forces. And you may be sure that we shall be vigilant and resolute in our campaign to ensure the peace and security of the nation.

It is something else, however, to suggest that under these conditions the proclamation of martial law is imminent. I do not know how speculation about this has started, but it is mortifying to note that these have reached supposedly enlightened sectors of our society. The fact of the matter is that the situation is fully under control and does not approximate the situation in 1972.

And even if the situation should deteriorate, we have adequate checks and responses in our system of government to cope with this, without having to repair to martial law.

This is precisely what we had in mind when we sought to upgrade our laws of public order and security, and when we secured the authority of the president to issue certain decrees to meet emergencies.

We wanted, in short, to calibrate our responses to every danger and to the civil peace and national security, according to the extent of the danger and without recourse to martial law.

Our political stability is proven, and work continues to refine and strengthen our mechanisms for political change and our institutions for democratic government. Now where will these paths be more advanced and met than in this parliament of our people, of the system of contention and debate, the exercise of political parties, and where new policies to promote political stability and change can be freely discussed?

There are no political issues, in short, that may not be reasonably debated and resolved here, no serious questions of national direction that parliament may not justly consider.

Much discussion is exercised by political leaders and members of this august body concerning the authority of the president to legislate under Amendment No 6, and about imagined rivalries that it supposedly introduces between the presidency and the parliament. This provision -- Amendment No 6 -- reads as follows, and I quote: Whenever in the judgment of the president there exists a grave emergency, or a threat or imminence thereof, or whenever the Batasang Pambansa or the regular National Assembly fails or is unable to act adequately on any matter for any reason that in his judgment requires immediate action, he may, in order to meet the exigency, issue the necessary decrees, orders, or letters of instruction, which shall form part of the law of the land.

It will be noted that the president acts only when -- and I quote -- there exists a grave emergency or a threat or imminence thereof, or whenever the Batasang Pambansa -- again I quote -- fails or is unable to act. The exercise of these powers in times of emergency may be the more acceptable response to such a situation than the proclamation of martial law.

Personally I would prefer to exercise these powers under Amendment No 6 to meet the times of great emergency than to invoke the powers of martial law under the commander in chief provision.

I have repeatedly stated in the past, and I say it again: I will not take any action or employ this authority unless it is expressly demanded by the majority party in caucus, and in which are represented the majority numbers of this assembly, the governors and local executives belonging to the party, and the leaders thereof.

I can assure the Batasang Pambansa that there is not intention here to replace the powers of this assembly to legislate. [applause] I come to you also this afternoon to assure you that this power will not be invoked by me save in times of grave emergency or upon failure of this body to act, and only upon the recommendation of the majority party in party caucus. [applause]

I shall look, as our people will look, to this assembly for the action necessary to respond to the need of the nation for both law and policy. We look for action now, for that is what is needed to solve our problems.

In the systems and processes of our government and in the mandate we have both received from our people is the power to turn this time of challenge into a time of response. I have sought to describe here today the dimensions of the problems we face, and I have presented to you the program of response that fits the hour and the need.

We cannot confront these problems and take up this program divided in our counsels, consumed by our hates and anger, and half-hearted in our labors for recovery and stability. To the opposition members I say: You and I are Filipinos alike. The problems we face, if not solved, may well wipe out our future and our republic; and in their stead may rise an alien face, a gruesome future in which neither you nor I will have a place. So let us suspend the petty political quarrels for today, the nit-picking and the faultfinding, and let us join hands to save our nation -- the Republic of the Philippines. [applause]

Let me add another cautionary note: If our republic falls, it will not fall into your hands. It will fall into the hands of those who seek political power through the barrel of a gun. I know that some of our wide-eyed innocent reformers seem to believe that they can use the subversive terrorists as their instruments to attain their end. But, let us not be naive. Past and contemporary history belies these illusions.

I appeal to the opposition now not to support the campaign of subversion and terror as a show of spite against me personally. [applause] If you have anger in your hearts against me, then let me suffer; but do not let our people and our country suffer because of it. [applause]

And like good sons of a republic, after we have saved our nation, after we have done all to keep it secure and stable, then there will be time enough for us to quarrel and match political strength in accordance with our political processes. The opportunity will come soon enough, soon enough, for the local elections will be held in 1986, and the presidential elections in 1987. May the best man always win. [applause]

I make this appeal, although I am aware that the strength and stability of the republic is fully capable of protecting itself and protecting us, by force of arms is necessary; but with the help of God, not with the force of arms. If we have been pursuing a policy of maximum tolerance, it is because the danger has not yet affected, nor will it affect, the stability of the state. But, there is a constitutional limit to legitimate dissent. Violence, subversion and libel are not acceptable weapons of dissent in a democratic society, and let us know this from the beginning. [applause]

And it will be a considerable setback, if after having elected and convened this parliament of the people, we fail to utilize its strengths and to ensure the survival and stability of our nation. That is the challenge before this august body. And the program of recovery is for everyone to make, not just for the government, the Cabinet, the prime minister, and the president to dictate, but for everyone, especially the distinguished members of this parliament, whom I now congratulate for their victory in the last election. [applause]

Let us take up the challenge together, generous of each other, generous of our energies and our gifts. And in God's good time I believe we will secure the blessings we invoke for both our nation and our people.

To each and every one of you, good luck, and may God bless all of us. [prolonged applause]

#### BATASAN ADOPTS RULES, INCLUDING QUESTION HOUR

HK231244 Quezon City Maharlika Broadcasting System in English 1100 GMT 23 Jul 84

[Text] The Batasan adopted the draft rules agreed upon by the bipartisan ad hoc committee on rules to cover the proceedings of the regular Batasang Pambansa. These include the extension of the question hour, which shall now be aired twice a week instead of only once. In today's opening session, three assemblymen-elect were absent; three others in Albay and one in Antique were still waiting for the outcome of their pending cases.

#### ASSEMBLYMAN SENDS LETTER TO MARCOS ON VIOLENCE

HK240323 Manila THE MANILA PAPER in English No. 3 9 Jul 84 p 4

["An open letter" to President Marcos from Bon Azada: "On Violence"]

[Text] Pres. Ferdinand E. Marcos Malacanang, Manila

Dear Mr President: You accuse the opposition of being silent on the issue of violence. You are wrong. We have not been silent in our condemnation of the use of violence both by government agents and those who believe in violence as the last resort of an oppressed people.

We have been denouncing the use of violence at every turn. When you did violence to the Constitution by declaring martial law, we denounced such unjust use of violence again our people. We denounced the massacres obviously committed by government agents from Sagod in Samar to Ihawayan in Negros Occidental, from Pigsalohan in Gingoog City to the Lakbayan victims in Cavite and countless more.

But there is one common strain that characterizes government action against acts of violence -- refusal or inability to "find" or punish the culprits, specially because in most cases the guilty parties are working with the government.

The use of violence has almost become a way of life in this country. In Mindanao today, there is not a day that innocent farmers, students, opposition workers and leaders and plain citizens who are trying hard to find meaning in their lives are not illegally arrested, confined or salvaged without the knowledge of their families. This has become routine.

Viewed in this light, it is obvious that it is your government that lacks serious commitment in the fight against the use of violence.

You cry against terrorism with the death of a general where initial evidence points to common criminals as the architects of the murder. On the other hand, some praise-hungry opposition politicians decry the use of violence because one or two of their leaders had been killed. In this situation of polarized political partisanship, who is to protect the interests of thousands of prospective victims and the families of thousands who are being killed and mutilated every month, unwitting victims of men who are all hungry for power?

I think we should all return to our beginnings by remembering what they used to teach us in the UP [University of the Philippines] College of Law -- that he who comes to court and seeks justice must have clean hands. Unfortunately, in the case of your government, its hands are not clean in the use of violence against our people.

It was you who repeatedly demonstrated the example that when a man is deprived of food, he will look for food. If he cannot find food, he will beg for food. But deprive a man of justice and he will join a revolution. These are your words and they are historically correct.

So you should not be surprised why many resort to the use of violence. When the government uses violence to achieve its ends, the objects of such violence will naturally use the same weapon, more so when the use of violence is obviously unjust.

For the terrorists do not believe in the rule of law. While we condemn the error of their ways, we cannot help but understand the choice of their means.

If terrorism must be stopped, the first moves must start with the government. In the classic study done by Sir Robert Thompson of the Malayan and Vietnamese insurgencies, one lesson should not escape all of us, especially the government. That before the government can start asking the people to obey the law, it must obey the law first. Otherwise, if the government violates the law, then the government becomes no less criminal than the persons whom it wishes to prosecute.

We in the opposition are with you against the use of violence and terror. But your commitment must go beyond empty rhetoric. For up to this day, there is no evident sign that you are serious in waging a war against the use of violence even in your own backyard. If you want our people to cooperate, you have to lead the way -- the correct and just way.

Very sincerely,  
Homobono A. Adaza  
Provincial Governor and Assemblyman-elect,  
Misamis Oriental and President, Mindanao Alliance

#### POLICE DISPERSE DEMONSTRATORS AT BATASAN OPENING

OW231303 Quezon City RPN Television Network in English 1100 GMT 23 Jul 84

[From "Newswatch" program]

[Text] Antiriot police, using tear gas, dispersed thousands of demonstrators at the Liwasang Bonifacio in Manila. The dispersal action was taken as the demonstrators' permits to hold rallies were cancelled by authorities. Demonstrations in other parts of Metro Manila were also dispersed without any violent incidents. More on today's demonstrations from Luche Cruz.

[Begin Cruz recording over video of street demonstrations] Violence threatened peaceful demonstrations in various parts of Metro Manila, when, just before noon today, police issued an order cancelling all rally permits. Manila mayor, Ramon Bagatsing, and Western District Police Superintendent Narciso Cabrera announced the move at a meeting at the Manila City Hall this morning.



[Cabrera] If they will insist on going on with their projected rally, there will be left no other alternative but to disperse them.

[Cruz] Now that the cancel [as heard] of the permits came out when the rallies and marches had all begun, and, despite warnings of police dispersals, the demonstrators chose to go on. This afternoon, thousands of workers, who had converged at the Liwasang from four different points in Metro Manila, were dispersed by tear gas. There were also reports of stoning.

Over at the Batasan, Butz Aquino, brother of the slain Benigno Aquino, Jr., led hundreds of demonstrators, mostly students, in a rally condemning government policies. Tight police cordon kept the demonstrators from getting any nearer the building, so the participants chose to just line up along (Riana) Marcos Avenue. Trucks of anti-riot police from the Northern Police District lined up with them, supported by scores of fire trucks. This police move was justified by MPD Chief (Lelestino) Rosca.

[Rosca] As far as we are concerned, we are just doing our duty, because, without permit, we cannot allow anything; otherwise, if anything happened, we would be held responsible.

[Cruz] In other parts of Manila, hundreds from Pasay, Calaoan, (Mabotos) and Malabon also staged rallies and marched to the Labor Ministry and the Liwasang Bonifacio to voice their protest. These and all other rallies greeted today's opening of the regular Batasang Pambansa. Luche Cruz for KBS News. [end recording]

#### OLIVAS SAYS COMMUNISTS INFILTRATED RALLIES

HK231235 Quezon City Maharlika Broadcasting System in English 1100 GMT 23 Jul 84

[Text] PC-Metrocom [Philippine Constabulary -- Metropolitan Command] Chief Prospero Olivas today disclosed a massive infiltration by communist elements in rallies held today in two separate places. The rallies were held at Liwasang Bonifacio in Manila and the Batasang Pambansa premises in Quezon City. Correspondent Jun Francisco reports on this:

[Begin recording] Present captured documents, Olivas said, indicated that the CPP-NPA [Communist Party of the Philippines -- New People's Army] and the dreaded Sparrow Unit, the NPA's liquidation squad, are out to sow terror in the middle of demonstrations. He said this has prompted him to recommend the cancellation of all rally permits previously granted for today by Manila Mayor Ramon Bagatsing and Quezon City Mayor Adelina Rodriguez. The cancellation notice of the Liwasang Bonifacio permit issued by Bagatsing was served to Alejandro Padilla, secretary general of the NAGFP [National Alliance for Justice, Freedom, and Democracy] by WPD [Western Police District] Superintendent Police Brigadier General Narciso Cabrera at 12 noon today. On the other hand, the cancellation notice for the Batasang Pambansa permit was served to Attorney (Perduasi) Abas of the Repeal Amendment No 6 Organized Movement, or by Ransom, by Police Lieutenant Colonel Jose Dawit, deputy station commander of Quezon City, also at 12 noon today.

#### MENDOZA GIVES UP POST AS PAMPANGA GOVERNOR

HK240748 Quezon City Maharlika Broadcasting System in English 0400 GMT 24 Jul 84

[Text] Justice Minister Estelito Mendoza has given up his post as governor of Pampanga. He was succeeded yesterday by Vice Governor Cicero Punzalan. Mendoza lost in his bid for a seat in the 14 May polls for members of the regular National Assembly in the province.

The new provincial governor said he will continue the policies initiated by former Governor Mendza in the province. He also announced he would create a civic action and public assistance office to serve the needs of the people in Pampanga.

#### BANK WITHDRAWALS EXPAND NATION'S RESERVE MONEY

HK191325 Manila BUSINESS DAY in English 19 Jul 84 p 2

[By reporter Rigoberto D. Tiglao]

[Text] Bank's huge withdrawals from their deposits with the Central Bank to ease their tight cash positions have been expanding the country's reserve money in recent weeks, CB sources disclosed.

The changes in reserve money levels roughly reflect new money the CB releases to banks and to the national government and ultimately determine the liquidity -- the supply of money in circulation and in financial institutions.

After soaring with a record annual growth rate of 64.4 percent in January -- which fueled inflation in the following months -- reserve money was gradually brought down to P26,066 million by April, when the annual growth rate came to 49 percent. However, the reserve money level has expanded since May despite efforts of the CB to bring it down to comply with a commitment to the International Monetary Fund (IMF) to gradually reduce the reserve money level "on a scheduled basis" to at most P25 billion, the sources said.

BIG RISE: CB data indicate that for end-May reserve money stood at P27,175 million, up by about P1,100 million over the April level, meaning the CB released P1,100 million in a month to banks. In June, reserve money was recorded at P27,929 million, with another P754 million infused into the financial system. The CB figures showed the expansion in the reserve money continued during the first week of July, when the average weekly level was reported at P28,094 million. Latest CB data, put the reserve money at P28,485 million on July 9.

Sources in the CB explained that the expansion in reserve money was mainly due to the overdrafts incurred by banks, which withdrew from their account with the CB to cover their recent cash requirements. The withdrawals are classified as overdrafts since technically they reduce the banks' deposits to a level insufficient to meet the cash they must deposit with the CB as required reserve.

The overdrafts of at least three banks were due to the massive reserve deficiencies they have been incurring for at least more than a month, but the sources claimed that the withdrawals were the result of public nervousness about the stability of certain banks. The situation was compounded by the bank runs in certain areas such as Cavite and Olongapo.

Recently, branches of a few banks have been hit by a mild run, which required these banks to withdraw funds they kept to the CB to honor the withdrawals. A bank president also explained that his bank recently adopted a policy of keeping much higher levels of cash in its branches' vaults. "If we don't maintain enough cash in a branch's vault and another rumor goes around, we can't afford to spend time transporting the money from the head office. The time involved would only worsen the impact of the rumors," he said.

IMPACT: However, CB sources explained that while reserve money has been expanding, its effect on total liquidity will not be as great as it had been early this year. There has been a significant shift in the composition of liquidity, they said, with portion of liquidity represented by having the cash in people's hands increased.

While this may reflect people's greater preference to keep their money in their hands rather than in banks, it indicates the growth of the black market, the sources added, since the purchase of black market dollars are usually in cash. It also reflects people's hedging against inflation by buying commodities before prices go up.

If the pace of banks' withdrawals of their deposits from the CB continues, it will be the third time the CB's liquidity targets will be exceeded. The surge in liquidity late last year was due to a similar factor, the P2 billion the CB extended to a handful of beleaguered banks and financial institutions. The continued rise in liquidity during the early months of this year was partly due to the failure of firms with foreign borrowings to deposit the equivalent amounts of their debt-payments abroad to the CB. During the first quarter, the liquidity target was exceeded because of massive government borrowings from the CB amounting to P5 billion.

Sources say the recent rise in reserve money due to banks' overdrafts in recent weeks may be more than the P2 billion in overdrafts and emergency advances extended by the CB late last year. The CB had siphoned at least P4 billion from the financial system through the issuance of high-yield CB bills and Treasury bills. However, much of the amount mopped up, as the reserve money figures would show, have leaked out because of banks' overdraft.

#### CENTRAL BANK OFFICIALS PUSHING FOR LIQUIDITY CUT

HK201450 Manila BUSINESS DAY in English 20 Jul 84 p 2

[By reporter Conrado R. Banal III]

[Text] The Central Bank is gearing towards more aggressive sales of government IOU's, relying on some changes in the dealership network.

To most bankers, this indicates that the CB will persist in mopping up what it calls an "excess" in liquidity -- total available funding which, in theory, tends to raise prices of goods and increase imports. Bankers are saying the excess liquidity, if there is any, may be mostly in cash held by individuals and companies, and peso notes physically out of the country. They believe that this hard cash might be hard to siphon off through sales of government IOU's.

CB officials the other day met with the 15 accredited dealers of government IOU's. These firms retail the government IOU's issued by the CB and get certain incentives such as borrowings from the CB to finance their purchases of the IOU's. CB officials told the dealers during the meeting that the CB wanted them to improve their sales of government IOU's, particularly the Treasury bills which the CB uses as the main tool in withdrawing money from circulation.

SLACK. Purchases of the government IOU's slackened in recent weeks despite the attractive interest rates of between 28 percent and 32 percent a year. Bankers estimated that outstanding T-bills and CB bills, which the CB issued through negotiated sales, at present amount to only P2.5 billion after reaching more than P5 billion at one time. Maturities of the IOU's were mostly 30 days and 60 days; those issued a month or two ago have matured. The lack of buyers at the moment gives the CB no chance to bring back outstanding issues to the amount it wants -- about P7 billion, based on the CB's policy-making Monetary Board's approved ceilings on T-bills and CB bills.

Thus, the CB released again part of the funds it earlier withdrew from the system through issuance of the IOU's. A high level of funding has displeased the International Monetary Fund, from which government is asking for a \$650-million standby credit line and whose grant of the line is the key to the country's debt rescheduling and ability to get new loans from abroad.

The CB's order to dealers to sell more government IOU's apparently forms part of the overall CB plan to mop up excess liquidity, bankers said. CB officials during the meeting with the dealers, in fact, threatened to delist dealers that fail to meet CB expectations. Dealers told the CB official that, instead of reducing the number of dealers, the CB should accredit more dealers if it wants higher sales of the government IOU's.

Moreover, the dealers pointed out that they are handicapped by delayed delivery of the IOU's to them and the CB's direct selling of IOU's. Dealers complained, for instance, that the CB takes five to six days to deliver the IOU's, which is a lag between the time the dealers buy the IOU's from the CB and the time they can resell them to investors. The CB also bypasses dealers when buyers want at least P1 million worth of the securities. Dealers complained that they become retailers, with small profits because of low volume and much paper work -- a disincentive to them.

The dealers, particularly the 13 banks, among them also noted that their sales of government IOU's were causing a drop in their sales of their own IOU's or deposit substitutes. With interest payment on deposit substitutes at between 15 percent a year to 25 percent a year, the higher-yielding government bills are more attractive to investors.

FROM BANKS. Bankers said the CB, by competing against bank deposit rates, is in effect withdrawing funds from the banks, while the excess in liquidity remains in the form of hard cash in circulation.

They said that because of the high inflation rate the past months, people have more cash in their pockets for daily expenses. To illustrate: Assuming that there are five million households (10 members per household and total population of 50 million), an additional P100 each household needs to keep for expenses means that an additional P500 million is outside the banks.

Also, hard cash is involved in dollar back market transactions -- which banks do not handle. Bankers said since the black market has become a main source of dollars for paying importations of raw materials, the amount of hard cash involved in the market must have risen. The amount of pesos in the hands of money dealers abroad, such as in Hong Kong and Singapore, must have also gone up, they said.

#### BUSINESS DAY: BANCO FILIPINO TO BEGIN CLOSURE

HK231438 Manila BUSINESS DAY in English 23 Jul 84 p 12

[By reporter Rigoberto D. Tiglao]

[Text] Banco Filipino Savings and Mortgage Bank, one of the country's largest banks, with 3.7 million depositors, as of last night appeared likely to implement the temporary closure starting today that it had announced during the weekend, after the Central Bank issued a statement saying it would pursue a detailed inquiry into the bank management's actions concerning recent Central Bank fundings and depositors' money.

The CB statement also said that "overall, the banking system remains sound. The case of Banco Filipino is not endemic; many other banks are operating normally." It said the CB would continue to provide financial and other assistance to banks needing such assistance. The statement indicated the CB would not be granting the P100 million than Banco Filipino is requesting to service depositors' withdrawals.

Banco Filipino officials earlier said that it cannot open its branches unless the CB releases the funds it is asking for. To support its request, the bank had delivered to the CB real estate mortgages of P1.04 billion and treasury notes of P24 million.



BF ALLEGATIONS. Lawyers of the bank had earlier alleged that the CB had been withholding the funds from the bank on condition that the bank give up the majority of its stock to other parties.

Bank Counsel Norberto J. Quisumbing in a letter to Fernandez, alleged that the CB "had caused the bank's difficulties and that the CB governor had instructed the bank to deliver to him 51 percent of the total shares of stock of the bank endorsed in blank," (A stock endorsed in blank in effect is a transfer by the previous owner to a still undisclosed party, without any agreement as to the price of the stock sold.)

DEADLINE. Fernandez allegedly gave Banco Filipino a two-day deadline last week to deliver the stocks. Instead, the bank countered by informing Fernandez that it had started negotiations with the Bank of the Philippine Islands and unnamed foreign banks with offshore banking units here to buy into the bank.

In a press statement released last night, CB governor Jose B. Fernandez Jr. denied the bank's allegations saying the CB had refused to extend further assistance to the bank "since a portion of the emergency funds earlier extended to the bank were not used to honor recent depositors' withdrawals."

According to the CB governor's press statement against alleged statements that the CB provided assistance amounting to only P18.8 million, the actual extent of assistance granted to Banco Filipino from June 20 to July 20 amounted to P979 million. However, preliminary findings of CB examiners indicated that releases to depositors amounted to only P670 million. The governor also said that these findings in the second half of July show that the bank issued managers' checks payable to some of its affiliated companies and major stockholders which were deposited with other banks during the latter part of June.

WARNINGS. The governor said that the CB had warned the bank's officers that they were issuing checks against their non-existing balances with the CB and were told to desist from these practices. "Having determined that under these circumstances, CB assistance was not being properly used, the CB advised the present management July 11 that they seek now strong partners and that should they need need assistance from the CB in this regard, their stockholders should provide the CB with the appropriate authority."

Fernandez said that subsequently, representatives of Banco Filipino, claiming to represent 51 percent of the bank's outstanding voting stocks, expressed in writing on July 16 their consent to sell to a new investor. Simultaneously, the CB was informed that negotiations with another financial institution were in fact initiated by the chairman of Banco Filipino, completely independent of the CB.

The CB governor denied reports that the CB had taken over the management of the bank, saying that the CB by law is inhibited to take over the administration of any bank. What the CB did was to appoint a comptroller on July 17, on which day total CB assistance amounted to P843 million with another P135 million released within the week.

BF COMMENT. Asked for comment on the CB press statement, Banco Filipino Chairman Anthony C. Aguirre said that the P979 million in overdrafts with the CB as of July 20 consisted of P843 million in withdrawals (and not P670 million as the CB alleged) with the rest representing preterminations of interbank loans.

Aguirre also explained that overdrafts as of July 11 amounted to only P403 million and that it had increased to P979 million only after rumors circulated in the financial community that the CB was forcing the BF to sell out. It was on July 11 that a meeting took place between Fernandez and BF officials in which Fernandez allegedly first told BF to "sell or merge."

Aguirre denied that the bank had released money to stockholder corporations in the weeks from late June to the first weeks of July, saying that the money was released only to affiliate companies which experienced similar "runs" after the rumors about difficulties emerged. Aguirre claimed that the CB governor himself had pointed out in the meetings with BF officials that he did not question the bank's motivations regarding the releases to affiliate companies.

#### GOVERNMENT TO CONTINUE TO AID DISTRESSED BANKS

HK240754 Quezon City Maharlika Broadcasting System in English 0400 GMT 24 Jul 84

[Text] The president has said the government will continue to help financially distressed banks. He made the assurance following a reported bank holiday declared by Banco Filipino, the country's largest savings bank. The bank has been beset by massive withdrawals since 1 July this year. The president said there will be no doubt about the government commitment to help financial institutions to strengthen and stabilize their operations.

Central Bank Governor Jose Fernandez [words indistinct] to declare a bank holiday. He assured all bank depositors that the Central Bank will protect their deposits; he said ways and means are being studied by the Central Bank to put the bank in operation on a sound and solid basis.

[Begin Fernandez recording] We have conducted a survey of the rest of the banking system, both in Metropolitan Manila and in the provincial areas, and the information relayed to us indicates that the rest of the banking system, with some minor exceptions, is operating normally. We have also noted that in some of the closed branches of the Banco Filipino some depositors are apparently awaiting the crediting of their accounts. In light of this, ways and means are now being evaluated by the Central Bank to help put that bank in operation on a sound and solid basis. We wish to assure all these and all depositors categorically that we consider it our responsibility and we have the intention of protecting their deposits. [end recording]

Meanwhile Banco Filipino Savings and Mortgage Bank officials said that they did not misuse the funds [words indistinct] from the Central Bank. Banco Filipino issued the statement in reaction to the Central Bank governor's hint that irregularities had cropped up in the use of Central Bank aid money to a cash-short savings bank.

#### BUSINESS DAY: IMF INSISTS ON FLEXIBLE PESO RATE

HK201430 Manila BUSINESS DAY in English 20 Jul 84 p 3

[By reporter Rigoberto D. Tiglao]

[Text] The International Monetary Fund (IMF) has informed the government that an official exchange rate that reflects actual market rates is necessary for the country to weather its current foreign exchange crisis, sources close to the IMF disclosed.

The sources claimed that the government's hardest task now in getting the IMF's \$650-million standby credit facility is to convince the IMF that the government's June 6 actions -- devaluation of the peso, imposition of taxes on foreign exchange transactions, and the move towards reopening foreign exchange trading by commercial banks -- already constitute the most flexible exchange rate system that the government may realistically maintain at present.

If the government's representatives -- Prime Minister Cesar Virata and Central Bank Governor Jose B. Fernandez Jr. -- fail to convince IMF so in the ongoing talks, the only alternative for government to get the IMF credit is to truly float the exchange rate, which means a further depreciation from the present P18-to-\$1 rate, bankers said.

Bankers also noted that Virata, answering a clamor demand that the government's letter of intent -- the formal request for the IMF loan which contains the government's commitments in terms of monetary and economic policies -- be made public, said some of the contents in the letter would create speculations. Bankers said the only content of the letter that could cause speculation would pertain to the exchange rate system. For the 1983-1984 standby arrangement with the IMF, the government made a commitment to maintain a flexible exchange rate system.

The IMF management's assessment of the country's exchange rate policies was presented to the Fund's executive board during a meeting in Washington last June 29. The sources claimed that the IMF management recommended that the IMF Executive Board disapprove the recent foreign exchange restrictions of the country. An IMF disapproval of a country's foreign exchange restrictions automatically prohibits the country from availing itself of any IMF funding.

The IMF management's assessment report was distributed to the Fund's executive directors before June 6. The IMF staff submitted to the executive board only a supplementary report explaining the Philippine June 6 actions without commenting on their impact. BUSINESS DAY learned that the government's June 6 actions were made in an attempt to reverse the IMF staff's assessment.

The sources pointed out that the current talks between the IMF and government representatives have been kept in strictest confidentiality, but they claimed that the IMF, despite the June 6 actions, is "likely to pursue" its arguments on a need for "appropriately flexible exchange rate policy."

The recent actions of the government peso-dollar rate at P18 to \$1 from the previous P14 to \$1, through a token transactions of \$500,000 made between two banks on June 7. There has been no foreign exchange trading since then.

The IMF argument -- its standard argument for all exchange rate system anywhere in the world -- is that an exchange rate system that reflects real rates as determined in the marketplace constitutes an automatic mechanism that at the same time will prevent a major economic dislocation (when the situation makes the artificial rate useless) and allows the economy to be export-competitive and less import-dependent.

The sources said the IMF staff is concerned that the recent devaluation of P18 to \$1 would be only a repeat of what had occurred since October when the country's debt-crisis went to a head. The thrust of the IMF assessment was that the pegging by the government of the rate of P14 to \$1 for seven months had worsened the country's foreign exchange position. Maintaining that undervalued rate led to an expansion of the black market. A substantial part of the country's foreign exchange receipts went to the black market rather than to the banking system.

The sources claimed the IMF specifically pointed out that the eradication or at least a drastic reduction of the black market is necessary for the country to begin solving its foreign exchange problems.

As a result, the IMF argument went, the CB's foreign exchange position was hardly improved and can provide foreign exchange only for interest payments on foreign debts and for importations of oil and other critical commodities. The sources also noted that the IMF staff found that the CB's foreign exchange allocation system proved to be ineffective, as was to be expected of an allocation system that does not depend on market forces.

The IMF's basic function is to maintain exchange rates among the various currencies of the world at their actual international values. The sources said it is worried that without a system that reflects actual market forces, the Philippines would be able, as it had done since October to maintain an official exchange rate that is more than the peso's actual value. The IMF pointed out that even as prices of goods and services surged in the past seven months, the peso exchange rate to the dollar was unchanged. This meant that the government was in effect artificially appreciating the peso value even as it was losing its real value. The IMF's findings are that the rise in prices was due to excess money in circulation, or liquidity.

#### OPPOSITION LEADER URGES 'STRUGGLE' AGAINST IMF

HK230237 Manila METRO MANILA TIMES in English 22 Jul 84 p 5.

["An Open Letter to President Marcos and Prime Minister Virata" from Felicismo C. Macapagal, General Secretary of Partido Komunista ng Pilipinas [PKP]

[Text] Dear President Marcos and Prime Minister Virata:

Long before it was considered "respectable" to criticize foreign monopoly capital, the PKP has consistently exposed its machinations. Time and again, we have warned against the terrible consequences of massive borrowings from the World Bank, IMF and international credit institutions. In its political resolutions in 1977 and 1980, the PKP clearly showed in figures and statistics that the iron hold of the debt trap was tightening around the country. It has shown that total obedience to WB-IMF orders has not brought genuine progress to the people. Since the escalation of the crisis in 1980, the PKP has issued numerous position papers on economic policy, devaluation, the foreign debt and other issues. We have sent these to your office, but they have fallen on deaf ears. Our warnings have been disregarded as coming from a "subversive" source.

At present, more Filipinos are aware of the insidious hand of the imperialist powers in the so-called solutions prescribed by the World Bank and IMF. The economic debacle which the PKP predicted has opened the eyes of the people to the truth.

It is in the spirit of national unity and cooperation that the PKP is submitting the following to lift the country out of the debt trap.

If further negotiations will be pursued with the IMF (for the stabilization loan of \$650 million), the advisory committee of foreign bank creditors, and the Paris Club, we strongly urge the expansion of negotiating teams to include representatives of sectors comprising the majority of the people. The present negotiating team is composed mainly of "technocrats" who led the country into the debt trap in the first place. They have not shown any appreciation of the political implications of the "economic" conditions to which they committed the country. National sovereignty should be asserted and protected during negotiations, instead of the insatiable greed of credit institutions for more profits.



Recommendation 1. Resolutely struggle against overkill IMF conditions.

A Letter of Intent for the Filipino people. The Letter of Intent, which is supposed to be the basis for negotiations with the IMF is nothing more than a pro-forma "letter" prepared by the IMF wherein the government merely "fills in the blanks" according to IMF formula and instructions. It is not surprising therefore that the provisions of the government's so-called Letters of Intent are grossly disadvantageous to the country. Such conditions are politically unrealistic, impractical, and impossible to implement. After all, how can the IMF appreciate the difficulties of the masses from the safe confines of their offices in Washington, the comforts of Manila Hotel, and the luxury of the conference rooms of the Central Bank?

Let us formulate a program of action designed to bring progress to the Filipino people, based on present realities. Let us reject the harsh prescriptions of the IMF which will only benefit the creditor banks and not the debtor country.

Enough of devaluations! Three rounds of devaluation have not even brought temporary relief to our people. Devaluation triggered seven rounds of increase in energy and oil costs. The Central Bank has reported that since 1978, prices for fuel, light and water have increased by 360.8 percent food, beverages and tobacco by 230.7 percent and services by 271.7 percent. The official inflation rate of 40 percent is very conservative, as indicated by recent waves of panic-buying. Another round of devaluation will be catastrophic.

What "excess liquidity?" The IMF insists that "excess liquidity" or surplus money in circulation be "siphoned off" before negotiations can be finalized. The steps undertaken by the Central Bank have aggravated the unavailability of basic goods since these have become more expensive because of higher interest rates. The negotiating team should insist that "mopping up of excess liquidity" be stopped to bring relief to the people.

Increase tax revenue by restoring tariff impositions and collecting taxes more efficiently. The IMF has ordered the government to increase tax revenues. As the same time, it is against tariff impositions. The World Bank has ordered the dismantling of tariffs as a condition for its loans. Not surprisingly, the U.S. Government has also expressed strong opposition to tariffs. Nevertheless, this is one source of revenue which will at the same time enhance local industries. If the IMF wants increased revenue, tariff impositions should be negotiated for instead of promising to pass new tax laws, the government should commit itself to strictly enforcing administrative efficiency and integrity in the Bureau of Internal Revenue and Customs. It should penalize the banks that did not turn over the government more than P530 million in taxes which they collected.

Reduction of government expenditures should be selective. Government cutbacks are another IMF condition. In its haste to obey IMF orders, the government has instituted a series of harsh across-the-board budget cuts. We strongly urge you to exempt programs which are designed to give service to the low-income groups. Budget cuts should not be imposed on government hospitals, schools and other social services. Cuts should be concentrated on high-spending ministries like the Ministry of National Defense. Equity demands of profligate government corporations should be reduced or refused outright. Allowances of ministries who sit in the boards of as many as 30 government corporations should be cut off.

Recommendation 2. Negotiate for more favorable terms with the IMF-World Bank, the advisory group and the Paris Club.

Negotiate for longer repayment periods with creditor banks. Considering the magnitude of the present crisis, it is impossible to pay the external debts at maturity. The Central Bank has reported to both of you that as of March 1984, the balance of payments deficit was recorded at \$155 million. Of the total recorded external debt of \$25.1 billion, \$9.8 billion is composed of short-term loans. Interest expense alone, as of March 1984, totalled a staggering \$595 million. Servicing the maturing debts will eat up whatever foreign exchange is saved. The only recourse is to negotiate for longer repayment periods.

Negotiate for lower interest rates. The United States has raised prime interest rates. This has automatically raised our interest obligations. In spite of frantic efforts to obey IMF conditions by cutting the budget drastically, mopping up excess liquidity and so on, whatever modest gains were accumulated were easily wiped out by higher interest rates from creditor banks. Unless interest rates are lowered, the government, like Sisyphus, will not be able to solve the debt problem no matter how hard it tries even as the anger of the people mounts. The Central Bank has pointed out that "a one per cent increase in the level of international interest rates would raise interest payments on the Philippine external debt by and about \$160 million in 1984!"

Resist cancellation of subsidies. The World Bank has been persistent in pressuring the Philippines to cut back on subsidies for the low-income groups. The negotiating team should resist such orders, which have the effect of throwing the people to the wolves. It is the duty of the government to protect the people instead of the free-enterprise interests of the World Bank.

At present, the government has time and again reiterated that it has no other recourse but to go with hat in hand to the IMF and its ilk. In the process, the crisis has mounted and our difficulties are compounded while the IMF keeps churning out condition after condition. It is time to seek other options. If the government will seek other forms of assistance beyond the traditional confines of the WB-IMF dominated international capitalist system, the following recommendations are in order:

Recommendation 3. Mobilize international support vis-a-vis the IMF outside traditional alliances.

Seek the support of non-aligned countries. The debt crisis which has gripped the country is global in character. Many other developing countries are pushed to bankruptcy by harsh IMF conditions. It is time to close ranks with them. The ASEAN members have not been sympathetic to our plight. We strongly urge you to seek the support of the non-aligned countries headed by India. The Philippines enjoys the status of an observer in this group.

Close ranks with the Latin American countries. Twenty-seven Latin American countries with a total indebtedness of nearly \$400 billion have joined forces to strengthen their bargaining power with the IMF and the creditor banks. Countries like Argentina, Peru, Bolivia and Brazil have chosen to defy IMF rather than sacrifice the interest of their people. Steps should be taken to establish links with these countries.

Reestablish counter-trade with other countries. We have stopped countertrade (or "barter") with other countries upon express instructions of the IMF which considers such strategy as heretical to the free-enterprise philosophy. Counter-trade is beneficial if it enables a country to obtain the goods that it needs from other countries in exchange for local products. No foreign exchange is involved. If the IMF remains intransigent, we should go ahead with counter-trade. The government should not hesitate to seek new solutions especially since the traditional "cures" have been exposed as ineffective.

Strengthen trade ties with socialist countries. The Philippines has established diplomatic relations with all socialist countries. Nevertheless, trade and economic activities remain minimal. It is time to strengthen economic relations with these countries to counteract the stranglehold of the developed capitalist countries. Such a strategy will necessitate tedious preparatory work but in the long run it will enable us to develop clear alternatives to IMF conditions.

Declare unilateral moratorium on amortization and interest payments. Experts have calculated it will take at least ten years before the country recovers. If the creditor institutions continue imposing their brutal conditions on the country, a unilateral moratorium for at least ten years should be declared, if only to protect the people from further punishment.

Yours very truly,  
Felicisimo C. Macapagal  
General Secretary,  
Partido Komunista ng Philipinas (PKP)

**END OF  
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DATE FILMED**

JUNE 28, 1984

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